

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 2022

Lifeline Community Projects
(A company limited by guarantee)

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Reference and administrative details of the Charity, its Trustees and advisers
For the year ended 31 March 2022

Trustees Mr P Akerman
Mr N Jaques
Mr J Singleton
Ms A McIntyre (resigned 6 May 2022)
Mr T King
Mr H Yung (appointed 1 September 2022)

Company registered number 03951096

Charity registered number 1084634

Registered office Lifeline House
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Independent auditor Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
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Lifeline Community Projects
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Trustees' report
For the year ended 31 March 2022

The Trustees present their annual report together with the audited financial statements of Lifeline Community Projects (the "charity") for the year ended 31 March 2022. 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 charitable company comply with the current statutory requirements, the requirements of the charitable company'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:

- ii. 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;
- iii. 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
- iiii. 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;
- iiv. 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 the charity can achieve its objectives on a sustainable basis. Details of reserves set aside can be seen in note 20 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)'.

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Trustees' report (continued)
For the year ended 31 March 2022

Objectives and activities (continued)

b. Activities undertaken to achieve objectives

The context for delivery this year has been the recovery from Covid. Whilst schools re-opened on the 8th March '21 social distancing and Covid Guidance remained throughout the majority of the year which has a significant impact on what services we delivered and how we delivered them.

Nurseries - Little Learners

This year the nurseries have adapted to being open full time and operating alongside COVID overcoming the following challenges successfully;

- Constant adaptation to follow ever changing Government guidelines
- Increased absences of staff due to sickness and quarantine requirements.
- Increased absences of children due to quarantine requirements.
- Time-consuming additional support and reassurance offered to parents in order to upkeep confidence in the setting's safety
- Higher running cost on cleaning resources and cleaning time.
- Increased staffing costs due to staff cover being required to meet ratios
- Reduced demand in Ilford due to parents working from home and continued fear of COVID.
- Continuous review and changes to procedures to accommodate social distancing.

In Ilford we have successfully recruited and developed a strong management team with a competent Nursery Manager, Deputy and Nursery Administrator. The setting continues to spend a large amount of time chasing income from disadvantaged families and enforcing the parent contract regulations. The nursery has undergone significant improvement to its staff team, interactions with children and presentation. Word of Mouth referrals make up the majority of new starters therefore, the staff team make a conscious effort to engage with the community and strive towards having a high standard of parent partnership. The setting has historical 'term time' low attendances which impacts income negatively during the school holidays. The average attendance for the year has risen to 62.2%.

Elm Park Nursery has observed the deputy manager develop into an aspiring Manager with new, fresh and creative ideas. The Nursery team take pride and ownership over the setting's standards as well as leading each other to improve play skills and personally develop continuously. The nursery's average attendance for the year is 95.3% with a constant waiting list and consistent influx of enquiries. Parent partnership and relationships are very strong with parents often turning to the experienced staff team for support and guidance.

Due to the consistent high demand in Elm Park, with the nursery being oversubscribed, we purchased an additional premise, Ambleside, to allow for expansion and growth of the Little Learners Brand. Planning permission has been hard to achieve over recent years and several time-consuming appeal applications have been turned down. Nevertheless, August 2021, planning permission to convert the residential home into a nursery property was finally granted by Havering Council. Quotes for refurbishment have been sought after once more. Due to the Pandemic, the quotes received are far more expensive than when we investigated several years ago. We are looking forward to renovations taking place and opening our third setting. Elm Park continues to promote the opening of Ambleside, Ambleside is already beginning to gather a waiting list in anticipation for an opening in the new academic year.

Healthwatch

This year the team and volunteers have continued to adapt the way we deliver services in the face of Covid. Following government guidance the team we were restricted to mainly telephone and online engagement, but this did not stop us, for example we were unable to undertake Enter and views, instead our volunteers supported with mystery calls to sexual health services.

Our information and signposting service was available by phone and email and the team have supported 280 residents with a number of queries including how to access dental services, how to complain, providing information about covid vaccinations and mental health. As government guidance changed, we started to conduct safe face- to- face contact interactions.

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Trustees' report (continued)
For the year ended 31 March 2022

Objectives and activities (continued)

In total we have engaged with 895 people throughout the year and the team worked on several different projects ensuring the voice of the community influences decisions makers. For example, we contributed to BHRUTS clinical strategy, sharing feedback about hospital services with the trust, this feedback will now be used as part of the strategy including best practice and looking at improving areas highlighted by patients.

Our #TalkAboutIt event enabled mental health services, and faith organisations and places of worship to discuss challenges posed by the pandemic and practical tips on how to support those with mental health needs.

We have won an award along with our colleagues from North East London for providing fast, regular and comprehensive insight about people's experiences of care with their Integrated Care System, helping to develop services that meet the needs of our diverse population.

This programme has now been recommissioned for an additional 3 years with the new programme starting in April '22.

Pastoral Partner for Schools

This continues to be a key part of our mission which we have sustained throughout Covid. Working with young people that are on the edge of poor mental health (SW!TCH Minds) or serious youth violence (SW!TCH Lives) and supporting their parents and residents in the communities they reside (SW!TCH Communities). We continue to support young people across the equivalent of 40 schools over 4 boroughs employing 3 managers, 2 Lead Youth Development Workers, 10 Youth Development Workers, 5 community development workers and a bank of outreach workers. Two young people have moved through the service to become Ambassadors and have now been appointed as sessional staff.

This year our services had to remain flexible adapting to covid guidance whilst meeting the needs of our beneficiaries.

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 SW!TCH Ambassador leadership programme. We have had funding from 6 different funds to work in 22 schools across Barking and Dagenham, Redbridge, Havering and Thurrock. Delivery in schools was hampered in some cases by national covid guidance and local school interpretations. As restrictions eased we witnessed an increase in SYV.

SW!TCH 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 poor mental 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.

SW!TCH Ambassadors

We were able to deliver our 3-day Ambassador training residential 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.

Champion Support Network

Funded through London's VRU (Violence Reduction Unit) via London Borough of Barking and Dagenham, Redbridge and Havering this programme has received its second phase of funding allowing us to continue to support parents. LifeLine's mentoring programmes put partnership with schools at the heart of the delivery. We have been able to support a range of parents across the three boroughs including parents who have children that have suffered from Serious Youth Violence. We have also trained parents to support their peers.

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Trustees' report (continued)
For the year ended 31 March 2022

Objectives and activities (continued)

SW!TCH Futures

We have attracted funding from the London Mayor's New Deal For Young People's Leaders Programme which will start in April 2022. This will combine our SW!TCH Minds and SW!TCH Lives programme to provide a more flexible programme to 12 schools mentoring 10 young people per school, delivering 3 weekly positive activities, school holiday programmes and training 60 small organisations in mentoring.

SW!TCH Communities

As staff have returned to schools we have been able to maintain a delivery of up to 20 positive activities a week. We coordinated delivery with local authorities to focus on 'areas of concern' for our detached work and engaged positively with the young people. 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. We have now been commissioned by London Borough of Barking and Dagenham, Redbridge and Havering with funding from the VRU to deliver capacity building programmes on 3 high violence estates.

FaithAction

Policy and Insight

FaithAction has been re-contracted as part of the Health and Wellbeing Alliance (HWA). This is the alliance of VCSE organisations that are in partnership with the health and care system (DHSC and NHS) to give voice and access to different communities. FaithAction has held this position for over a decade and has a responsibility as a conduit to faith communities throughout England.

Much of the year was dominated by responding to Covid-19 and lockdown. A high degree of access to Government departments was maintained, predominantly with DHSC, MHCLG/DLUHC and DCMS.

Increasingly, as the relaxation of restrictions came in summer 2021, focus switched from immediate response to the pandemic to recovery, and a renewed urgency to address health inequalities which have been further exacerbated by the pandemic. FaithAction's HWA project areas relate to health inequalities.

1. *Engaging with faith leaders and faith communities to address the poor pregnancy and maternity outcomes for minority ethnic women.*
2. *Utilising the reach and social infrastructure of faith communities to join with social prescribing schemes, particularly to address loneliness.*

We obtained a late-notice piece of additional work which we have been working with partners from Coventry University and Race Equality Foundation to deliver. This involves gathering views of "seldom heard" communities, via focus groups in Chesterfield, Birmingham, East London and online, on how effective Primary Care Networks are in addressing the wider causes of health inequalities.

Work with Department of Levelling up, Housing and Communities (DLUHC formally MHCLG)

Daniel Singleton continues as a member of the ministerial task force. Although the initial focus of this group was on places of worship and the pandemic, it has also considered other issues where there has been particular faith community interest and involvement, notably the issues related to Afghan and Hongkonger arrivals and the UK and public response to the work in Ukraine.

FaithAction maintained single-faith focus groups for the first part of the year but have gradually reduced these. However, the FaithAction monthly Zoom "Coffee House" remains a good route for member input, and Creative English Coffee morning and the Faith Covenant Forum also maintain an important meeting point for those with particular interests.

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Trustees' report (continued)
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Objectives and activities (continued)

FaithAction was subcontracted by Strengthening Faith Institutions on the Ministry of Housing, Communities and Local Government surge capacity building programme. The programme worked with 31 Faith Champions, who were working to promote vaccine take-up amongst hesitant communities. In addition, 31 organisations were supported in either putting together applications for funding or registering with the Charity Commission for recognised status. Organisations were supported throughout the process, from training in how to approach funding application forms and the relevant documents organisations needed to have in place, to supporting organisations write and submit application forms, with regular sessions with project staff who read applications and provided feedback. 17 organisations were provided with support to become digitally transformed; organisations were either provided with a new website, with input from FaithAction staff in the content and design, and training given in how to keep it maintained, or were given training and support in developing their social media presence.

83 videos from 3 main categories; Faith and Community Leaders, Health Professionals and Everyday Citizens, to encourage communities to take up the vaccine, dispel myths and conspiracy theories around the vaccine, and inform people about the process of getting the vaccine. These videos received over 82,000 views across a number of social media platforms.

Creative English – Café Connect (integration programme)

We were pleased to be contracted in 3 regions (Yorkshire, West Midlands, London) as part of the DLUHC programme for Hong Kong arrivals. The team has developed an innovative approach to bringing local settled communities together with new arrivals, which we believe will be transferable for other episodes of migration. There has been some challenges and the programme was delayed starting by the commissioner, and people have settled in different areas, often more affluent. The team have had to work hard to recruit and train new locations as we have not been able to use the previous Creative English hub locations. Yet again we see that faith groups and churches are at the forefront of this work, being a base to welcome new arrival and to provide a place of integration.

APPG on Faith and Society and the Faith Covenant

There has continued to be interest in the Faith Covenant, particularly connected to the Keeping the Faith report of Autumn 2020. We worked with Professor Chris Baker (Goldsmith, University of London) to do follow up research in summer and Autumn 2021, and there will be a further report on how to utilise the partnerships between faith and local government which received such a boost during the pandemic.

A number of areas are working towards adopting the covenant, to aid this we have begun work on a faith covenant toolkit, which works alongside the faith covenant forum meetings to provide general support. The team has also given a number of presentations and Q&A sessions in specific locations.

Localised areas of work

FaithAction has increasingly been able to emphasise the power of faith communities to reach some of the most vulnerable. We have been pleased to be directly involved with two local authority areas to develop programmes to address health inequalities. In Tower Hamlets the Faith Health Action Partnership (FHAP) project is working with Faith communities to develop health action plans. We are designing a programme to use Creative English in Birmingham, with new materials with a health focus, to reach parents of children who have English language needs, to help inoculation uptake and access to primary care health services.

FaithAction were also awarded the contract to support the Barking and Dagenham Faith Forum until March 2023. The team were able to put on their first event, an Inter Faith Week Reception, within weeks of being awarded the contract, with the event being very well received, and the team have been working with the Trustee group on a programme of activities and ensuring that good governance and relevant policies, procedures and apparatus, including a bank account, are in place.

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Trustees' report (continued)
For the year ended 31 March 2022

Objectives and activities (continued)

Achievements and performance

a. Main achievements of the Charity

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

- Maintained services within covid guidance
- Grew nursery attendance to exceed pre pandemic levels
- Achieved planning permission to convert Ambleside into third Nursery setting
- Established SW!TCH Communities in 3 new estates
- Achieved a 10 point improvement in WEMWBS for young people on SW!TCH Lives
- Developed reputation in Havering and Redbridge and the VRU
- 31 organisations supported to either apply for funding or register with the Charity Commission. 4 organisations applied to be either a Charity or Community Interest Company (CIC)
- 4 organisations had a website launched, designed by the FaithAction team
- 83 videos encouraging COVID-19 Vaccination take-up produced, with average views of over 990 each
- Developed integration focus course (Café Connect) for Hong Kong arrivals. Started training and deliver via partner organisations in Yorkshire, West Midlands and London.
- Research interviews for the Keeping the faith 2.0 report
- Released funds to support the development of a multi-use community facility
- Secured funding to sustain our pastoral partnership with schools

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 2022 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 £2,497,342 and expenditure to £3,973,641, of which £1,914,000 represented a donation to Lifeline Church (which included the gift of Valence Group Limited assets and activities).

There is a resulting net deficit for the year of £1,719,872. As at 31 March 2022, the total net reserves of the Group stood at £1,715,064 of which £862,677 is held in designated funds, £737,880 in restricted funds and £114,507 is held 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.

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Trustees' report (continued)
For the year ended 31 March 2022

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.

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 28 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 (resigned 6 May 2022)
Mr T King

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 SW!TCH Lives delivering in 30 schools and SW!TCH Minds delivering in 42 schools.
- To be delivering mentoring in 3 additional boroughs.
- SW!TCH Communities to be operating in 3 different locations providing positive activities and outreach for young people and community engagement.
- SW!TCH 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.

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Trustees' report (continued)
For the year ended 31 March 2022

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 incoming resources 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.

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Trustees' report (continued)
For the year ended 31 March 2022

Auditor

The auditor, Kreston Reeves LLP, have indicated their 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:

Mr P Akerman

Date: 30 January 2023

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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 2022 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 2022 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 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.

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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.

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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:

- 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.

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

Lifeline Community Projects
(A company limited by guarantee)

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

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

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor

Chatham Maritime

30 January 2023

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 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	50,965	1,385,735	1,436,700	1,354,745
Charitable activities	5	831,140	-	831,140	697,586
Investments	6	47,362	-	47,362	71,449
Other income	7	182,140	-	182,140	51,250
Total income		1,111,607	1,385,735	2,497,342	2,175,030
Expenditure on:					
Charitable activities		834,381	1,225,260	2,059,641	2,037,682
Other expenditure	8	1,914,000	-	1,914,000	-
Net (expenditure)/income		(1,636,774)	160,475	(1,476,299)	137,348
Transfers between funds	19	60,864	(60,864)	-	-
Net movement in funds before other recognised gains/(losses)		(1,575,910)	99,611	(1,476,299)	137,348
Other recognised gains/(losses):					
Loss on disposal of subsidiary		(243,573)	-	(243,573)	-
Net movement in funds		(1,819,483)	99,611	(1,719,872)	137,348
Reconciliation of funds:					
Total funds brought forward		2,796,667	638,269	3,434,936	3,297,588
Net movement in funds		(1,819,483)	99,611	(1,719,872)	137,348
Total funds carried forward		977,184	737,880	1,715,064	3,434,936

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 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	-	105,536
Tangible assets	14	862,677	861,679
Investment property	15	-	994,000
		862,677	1,961,215
Current assets			
Debtors	17	208,880	291,762
Short-term deposits		-	800,000
Cash at bank and in hand		1,208,707	1,015,063
		1,417,587	2,106,825
Creditors: amounts falling due within one year	18	(565,200)	(633,104)
Net current assets		852,387	1,473,721
Total net assets		1,715,064	3,434,936
Charity funds			
Restricted funds	19	737,880	638,269
Unrestricted funds	19	977,184	2,796,667
Total funds		1,715,064	3,434,936

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

Consolidated balance sheet (continued)
As at 31 March 2022

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: 30 January 2023

The notes on pages 21 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 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	862,677	861,679
Investments	16	1	611,613
Investment property	15	-	200,000
		862,678	1,673,292
Current assets			
Debtors	17	251,859	353,410
Short-term deposits		-	800,000
Cash at bank and in hand		1,162,523	902,057
		1,414,382	2,055,467
Creditors: amounts falling due within one year	18	(563,890)	(513,668)
Net current assets		850,492	1,541,799
Total assets less current liabilities		1,713,170	3,215,091
Total net assets		1,713,170	3,215,091
Charity funds			
Restricted funds	19	737,880	638,269
Unrestricted funds	19	975,290	2,576,822
Total funds		1,713,170	3,215,091

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

Charity balance sheet (continued)
As at 31 March 2022

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: 30 January 2023

The notes on pages 21 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 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	22	(652,720)	125,649
Cash flows from investing activities			
Purchase of tangible fixed assets		(998)	(5,651)
Dividends, interests and rents from investments		47,362	71,449
Net cash provided by investing activities		46,364	65,798
Change in cash and cash equivalents in the year		(606,356)	191,447
Cash and cash equivalents at the beginning of the year		1,815,063	1,623,616
Cash and cash equivalents at the end of the year	23	1,208,707	1,815,063

The notes on pages 21 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 2022

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.

Notes to the financial statements
For the year ended 31 March 2022

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 wither the timing of the grant or the amount of grant payable.

All expenditure is inclusive of irrecoverable VAT.

Notes to the financial statements
For the year ended 31 March 2022

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 £1,000 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.

Notes to the financial statements
For the year ended 31 March 2022

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.

Notes to the financial statements
For the year ended 31 March 2022

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 2022

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 2022

4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Grants				
ESF - Create Your Futures	-	19,236	19,236	-
Faith Action	-	491,286	491,286	419,464
Young People	-	875,213	875,213	840,193
Government grants	-	-	-	95,088
Total Grants	-	1,385,735	1,385,735	1,354,745
Donations	50,965	-	50,965	-
Subtotal	50,965	-	50,965	-
Total 2021	114,172	1,240,573	1,354,745	

5. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Faith Action	8,420	8,420	28,851
Families	807,035	807,035	583,051
Young People	15,685	15,685	85,684
	831,140	831,140	697,586
Total 2021	697,586	697,586	

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rental income	43,516	43,516	70,273
Interest receivable	3,846	3,846	1,176
	<u>47,362</u>	<u>47,362</u>	<u>71,449</u>
	<u>71,449</u>	<u>71,449</u>	
Total 2021			

7. Other income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other income	3,150	3,150	18,551
Service charges to related charitable companies	13,990	13,990	32,699
Profit on Sale of property	165,000	165,000	-
	<u>182,140</u>	<u>182,140</u>	<u>51,250</u>
	<u>51,250</u>	<u>51,250</u>	
Total 2021			

8. Other expenditure

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donation to Lifeline Church	1,914,000	1,914,000	-

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

9. Analysis of expenditure by activities

	Direct costs 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
ESF - Create your futures	50,570	-	50,570	-
Faith Action	334,724	50,113	384,837	337,719
Families	559,130	166,737	725,867	538,430
Young People	700,918	88,710	789,628	757,235
Other and Support	32,355	76,384	108,739	385,628
Governance	-	-	-	18,670
	<u>1,677,697</u>	<u>381,944</u>	<u>2,059,641</u>	<u>2,037,682</u>
Total 2021	<u>1,778,778</u>	<u>258,904</u>	<u>2,037,682</u>	

Analysis of direct costs

	Create Your Future 2022 £	Faith Action 2022 £	Families 2022 £	Young People 2022 £
Staff costs	50,570	272,471	411,187	567,049
Depreciation and revaluation	-	-	-	-
Travel and subsistence	-	657	1,045	3,160
Partnership costs & program delivery	-	48,770	8,198	1,598
Other project costs	-	7,137	19,418	116,195
Communication, marketing & administration	-	5,189	6,856	8,684
Beneficiary costs	-	500	19,704	4,232
Property costs	-	-	92,722	-
	<u>50,570</u>	<u>334,724</u>	<u>559,130</u>	<u>700,918</u>

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Other 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	2,052	1,303,329	1,417,144
Depreciation and revaluation	-	-	33,949
Travel and subsistence	317	5,179	5,598
Partnership costs & program delivery	647	59,213	72,911
Other project costs	(33,478)	109,272	91,127
Communication, marketing & administration	(66)	20,663	19,429
Beneficiary costs	30	24,466	14,588
Property costs	62,853	155,575	124,032
	32,355	1,677,697	1,778,778

Analysis of support costs

	Faith Action 2022 £	Families 2022 £	Young People 2022 £	Other 2022 £
Staff costs	-	-	-	182,212
Depreciation	-	-	-	-
Property and insurance	-	-	-	15,839
IT costs	-	-	-	62,280
Communication	9,935	3,600	6,180	86,188
Travel and subsistence	-	-	-	2,007
Internal recharges	40,178	163,137	82,530	(285,845)
Governance costs	-	-	-	13,703
	50,113	166,737	88,710	76,384

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Other and Support 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	-	182,212	153,356
Depreciation	-	-	1,387
Property and insurance	-	15,839	10,925
IT costs	-	62,280	67,062
Communication	-	105,903	5,488
Travel and subsistence	-	2,007	2,016
Internal recharges	-	-	-
Governance costs	-	13,703	18,670
	-	381,944	258,904

10. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	12,193	8,820

11. Staff costs

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Wages and salaries	1,367,113	1,445,013	1,367,113	1,445,013
Social security costs	96,531	102,447	96,531	102,447
Pension costs	21,897	23,040	21,897	23,040
	1,485,541	1,570,500	1,485,541	1,570,500

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

	Group 2022 No.	Group 2021 No.
Employees	71	74

Lifeline Community Projects
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Notes to the financial statements
For the year ended 31 March 2022

11. Staff costs (continued)

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

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	-	1

The total remuneration, benefits and pensions paid in respect of the key management personnel in the year was £198,422 (2021: £181,638).

12. Trustees' remuneration and expenses

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

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

13. Intangible assets

Group

	Goodwill £
At 1 April 2021	333,320
On disposal of subsidiaries	(333,320)
At 31 March 2022	-
At 1 April 2021	227,784
On revalued assets	(227,784)
At 31 March 2022	-
Net book value	
At 31 March 2022	-
At 31 March 2021	105,536

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

13. Intangible assets (continued)

Charity

	Goodwill £
Cost	
At 1 April 2021	90,000
At 31 March 2022	<u>90,000</u>
Amortisation	
At 1 April 2021	90,000
At 31 March 2022	<u>90,000</u>
Net book value	
At 31 March 2022	<u><u>-</u></u>
At 31 March 2021	<u><u>-</u></u>

Lifeline Community Projects
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

14. Tangible fixed assets

Group and Charity

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2021	1,037,872	237,767	163,794	1,439,433
Additions	998	-	-	998
At 31 March 2022	<u>1,038,870</u>	<u>237,767</u>	<u>163,794</u>	<u>1,440,431</u>
Depreciation				
At 1 April 2021	176,193	237,767	163,794	577,754
At 31 March 2022	<u>176,193</u>	<u>237,767</u>	<u>163,794</u>	<u>577,754</u>
Net book value				
At 31 March 2022	<u>862,677</u>	<u>-</u>	<u>-</u>	<u>862,677</u>
At 31 March 2021	<u>861,679</u>	<u>-</u>	<u>-</u>	<u>861,679</u>

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For the year ended 31 March 2022

15. Investment property

Group

	Freehold investment property £
At 1 April 2021	994,000
Disposals	(200,000)
On disposal of subsidiaries	(794,000)
	<hr/>
At 31 March 2022	-
	<hr/> <hr/>

Charity

	Freehold investment property £
At 1 April 2021	200,000
Disposals	(200,000)
	<hr/>
At 31 March 2022	-
	<hr/> <hr/>

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.

During the year one investment was sold and the subsidiary which owned the other property was donated to lifeline church.

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Notes to the financial statements
For the year ended 31 March 2022

16. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 April 2021	1,039,777
Disposals	(1,039,776)
	<hr/>
At 31 March 2022	1
	<hr/>
At 1 April 2021	428,164
Impairment on disposals	(428,164)
	<hr/>
At 31 March 2022	-
	<hr/>
Net book value	
At 31 March 2022	1
	<hr/>
At 31 March 2021	611,613
	<hr/>
Other investments comprise of investments in subsidiaries (see note 28)	

17. Debtors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Due within one year				
Trade debtors	149,331	247,470	149,331	247,470
Amounts owed by group undertakings	-	-	42,979	62,972
Other debtors	17,480	-	17,480	-
Prepayments and accrued income	42,069	44,292	42,069	42,968
	<hr/>	<hr/>	<hr/>	<hr/>
	208,880	291,762	251,859	353,410
	<hr/>	<hr/>	<hr/>	<hr/>

Lifeline Community Projects
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Notes to the financial statements
For the year ended 31 March 2022

18. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	223,044	78,763	223,044	77,932
Other taxation and social security	27,945	53,574	27,945	37,349
Other creditors	51,827	51,940	51,827	51,940
Accruals and deferred income	262,384	448,827	261,074	346,447
	565,200	633,104	563,890	513,668
	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Deferred income at 1 April 2021	284,275	85,034	284,275	85,034
Resources deferred during the year	198,862	284,275	198,862	284,275
Amounts released from previous periods	(284,275)	(85,034)	(284,275)	(85,034)
	198,862	284,275	198,862	284,275

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Notes to the financial statements
For the year ended 31 March 2022

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
Designated funds						
New nursery development	140,000	-	-	(140,000)	-	-
Nursery dilapidations	30,000	-	-	(30,000)	-	-
New community development centre	360,738	-	-	(360,738)	-	-
Property fund	1,855,679	-	-	(993,002)	-	862,677
	<u>2,386,417</u>	<u>-</u>	<u>-</u>	<u>(1,523,740)</u>	<u>-</u>	<u>862,677</u>
General funds						
General funds	410,250	1,111,607	(2,748,381)	1,584,604	(243,573)	114,507
Total Unrestricted funds	<u>2,796,667</u>	<u>1,111,607</u>	<u>(2,748,381)</u>	<u>60,864</u>	<u>(243,573)</u>	<u>977,184</u>
Restricted funds						
Department of Health - Faith Action	449,884	491,286	(385,062)	(60,864)	-	495,244
ESF - Create your Futures	31,334	19,236	(50,570)	-	-	-
Young People	157,051	875,213	(789,628)	-	-	242,636
	<u>638,269</u>	<u>1,385,735</u>	<u>(1,225,260)</u>	<u>(60,864)</u>	<u>-</u>	<u>737,880</u>
Total of funds	<u><u>3,434,936</u></u>	<u><u>2,497,342</u></u>	<u><u>(3,973,641)</u></u>	<u><u>-</u></u>	<u><u>(243,573)</u></u>	<u><u>1,715,064</u></u>

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Notes to the financial statements
For the year ended 31 March 2022

19. Statement of funds (continued)

Statement of funds - prior 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><u>3,297,588</u></u>	<u><u>2,175,030</u></u>	<u><u>(2,037,682)</u></u>	<u><u>-</u></u>	<u><u>3,434,936</u></u>

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Notes to the financial statements
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Designated funds

Property fund - This fund reflects the net book value of the Group's freehold 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 SW!TCH 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.

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Notes to the financial statements
For the year ended 31 March 2022

20. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Designated funds	2,386,417	-	-	(1,523,740)	-	862,677
General funds	410,250	1,111,607	(2,748,381)	1,584,604	(243,573)	114,507
Restricted funds	638,269	1,385,735	(1,225,260)	(60,864)	-	737,880
	<u>3,434,936</u>	<u>2,497,342</u>	<u>(3,973,641)</u>	<u>-</u>	<u>(243,573)</u>	<u>1,715,064</u>

Summary of funds - prior 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>

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Notes to the financial statements
For the year ended 31 March 2022

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	862,677	-	862,677
Current assets	495,947	921,640	1,417,587
Creditors due within one year	(381,440)	(183,760)	(565,200)
Total	977,184	737,880	1,715,064

Analysis of net assets between funds - prior 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

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Notes to the financial statements
For the year ended 31 March 2022

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

	Group 2022 £	Group 2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(1,476,299)	137,348
Adjustments for:		
Depreciation and amortisation charges	-	35,336
Gains/(losses) on investments	(243,573)	-
Dividends, interests and rents from investments	(47,362)	(71,449)
Decrease/(increase) in debtors	82,882	(127,815)
Increase/(decrease) in creditors	(67,904)	152,229
Loss on disposal of goodwill	105,536	-
Loss on disposal of investment property	794,000	-
Proceeds from sale of investment property	365,000	-
Gain on disposal of investment property	(165,000)	-
Net cash provided by/(used in) operating activities	(652,720)	125,649

23. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	1,208,707	1,815,063
Total cash and cash equivalents	1,208,707	1,815,063

24. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	Acquisition and disposal of subsidiaries £	At 31 March 2022 £
Cash at bank and in hand	1,015,063	273,563	(79,919)	1,208,707
Liquid investments	800,000	(800,000)	-	-

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Notes to the financial statements
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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 £4,836 (2021 - £12,009) were payable to the fund at the Balance Sheet date and are included in creditors.

26. Operating lease commitments

At 31 March 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £
Not later than 1 year	69,811	69,241
Later than 1 year and not later than 5 years	71,197	144,054
	<u>141,008</u>	<u>213,295</u>

Notes to the financial statements
For the year ended 31 March 2022

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 (resigned 6th May 2022), John Singleton and Neil Jaques are also a trustee:

- Expenses were recharged to LC totalling £18,743 (2021: £18,743).
- Expenses were recharged from LC totalling £Nil (2021: £Nil).
- Donations of £1,302,387 were given to LC during the year, which included the donation of Valence Group Limited which has net assets of £749,649 as date of transfer, and Goodwill disposed of £105,536.
- The balance due from LC at the year end was £159,387 (2021: £364).
- The balance due to LC at the year end was £509 (2021: £Nil).

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 £1,170 (2021: £5,914).
- The balance due from LNI at the year end was £179 (2021: £69).

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 £10,000 (2021: £22,004).
- The balance due from CRC at the year end was £457 (2021: £126).

During the year the charity and its group had the following transactions with Valence Group Limited (VGL), a charity of which Avril McIntyre is also a trustee:

- Expenses were recharged to VGL totalling £22,885.
- The balance due from VGL at the year end was £994.

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

- D Singleton received remuneration of £60,552 (2021: £57,116 as restated).
- N Singleton received remuneration of £60,545 (2021: £71,603 as restated).

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

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Notes to the financial statements
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28. 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. On 27 October 2021 the Valence Group was donated for nil consideration to Lifeline Church.

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 (Donated 27/10/21)	Property management	Ordinary	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year/period £	Net assets £
Lifeline Enterprises Ltd	-	(1,609)	(1,609)	1,895
Valence Group Ltd (Donated 27/10/21)	43,516	(16,285)	27,231	-

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