

**CIRCLE COMMUNITY LTD
(A COMPANY LIMITED BY GUARANTEE)**

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Company Number: 07667918

Charity Number: 1145291

CIRCLE COMMUNITY LTD
(A COMPANY LIMITED BY GUARANTEE)

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**CIRCLE COMMUNITY LTD
(A COMPANY LIMITED BY GUARANTEE)**

LEGAL AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 MARCH 2022

Directors and Trustees	Rebecca Butler – Chair
	Robert Coe – Treasurer
	Danny Unger
	Michael Gerrard
	John Montague

Secretary	Danny Unger
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Registered Office	136 Kingsland High Street London E8 2NS
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Company Number	07667918
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Charity number	1145291
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**CIRCLE COMMUNITY LTD
(A COMPANY LIMITED BY GUARANTEE)**

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees are pleased to present their report including the financial statements of Circle Community Ltd (the "Charity") for the year ended 31 March 2022.

OBJECTIVES AND ACTIVITIES

The charity's objects (the "Objects") are specifically restricted to positively impacting the lives of those in need by reason of youth, age, disability, financial hardship or other disadvantage in any or all of the following ways:

- 1) The relief and support of those in need by reason of youth, age, disability, financial hardship or other disadvantage and their families and carers by;
 - a) Developing the skills, capabilities, confidence, mindset and self-discipline needed to secure life-changing, permanent employment
 - b) Providing professional and social development workshops, training programmes and general advice and support
- 2) To promote awareness of the issues affecting those in need by reason of youth, age, disability, financial hardship or other disadvantage, both generally and in relation to their social and workplace exclusion;
- 3) To promote social and workplace inclusion of those in need by reason of youth, age, disability, financial hardship or other disadvantage;
- 4) Advancing education and training for the public benefit, both generally and in relation to the social and workplace exclusion of those in need by reason of youth, age, disability, financial hardship or other disadvantage;
- 5) The relief of unemployment and other hardship for the public benefit;
- 6) Such other charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales as the Trustees may from time to time determine.

Our charitable activities are based on meeting the above objects. The charity delivers public benefit through the provision of our 'Back Your Future', training programme which supports disadvantaged young people aged 16-30 to acquire and develop workplace skills, capabilities and the desire to secure and sustain permanent employment, education or training.

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FOR THE YEAR ENDED 31 MARCH 2022

This is delivered through the following activities:

- Immediate, structured work experience (8 hours weekly) supported by our Retail Managers at one of the two streetwear clothing shops run by our sister social enterprise, Circle Collective. Through this young people develop vital transferrable skills including team working, and customer relations and gain content examples for their CVs and future interviews.
- Workshops (minimum two per month) and one-to-one coaching on topics such as presentation skills, resilience building, and interacting with employers.
- Behind-the-scenes tours of real work environments, talking to employees in all areas of the business about their career journeys, and the opportunity for work placements via our committed corporate partners.
- Practical recruitment support (e.g. job searches, mock interviews) and one-to-one mentoring from our Job Coaches to help grow their confidence.
- Peer support opportunities, and the opportunity to learn from our Ambassadors, young people who have successfully gone through the programme and act as role models and mentors to the current cohort.

For those young people we support into jobs, once in work, we continue to help them through creating support plans with their employers and offering vital encouragement through weekly contact.

PUBLIC BENEFIT STATEMENT

When considering activities which contribute towards the charity's work, Trustees have regarded section 17(5) of the Charities Act 2011 in relation to its guidance on public benefit. Guidance has been considered at trustee meetings when planning programmes and activities for Circle Community over the course of the year.

STRUCTURE GOVERNANCE AND MANAGEMENT

The governing document is the Memorandum and Articles of association of the company incorporated on 16th June 2011 as amended by special resolution registered at Companies House on 28th December 2011.

New Trustees are appointed by the existing Trustees.

The Trustees delegate the day to day running of the charity to Ms Turly Humphreys and her remuneration is agreed by the Trustees.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

WHY OUR WORK IS NEEDED

"Circle had been there to give me the confidence boost that I needed during my work search. They gave me the opportunity to develop my people skills through working in the store and plenty of interview experience with feedback to know where I went wrong. Honestly, without these experiences, I'd still be lost and a nervous wreck when talking to an employer"

J, aged 20, Marketing Assistant.

Most of the young people we support are those who are considered furthest away from the labour market. They often have complex lives and face multiple barriers to employment, for example, many come from black and minority ethnic groups who have low labour market participation, have low or no qualifications, no work experience and they are experiencing mental ill health. They often need help in developing the appropriate attitudes, resilience and behaviours to cope with typical work patterns. These cohorts of young people often fall through the gaps of other youth employment programmes.

The labour market overall has continued to recover, with the national unemployment rate falling from 4.9% in March 2021 to 3.8% in March 2022. However, unemployment rates remain disproportionately higher for young people with 9.1% of 18–24-year-olds unemployed in March 2022. Young people are still struggling to secure meaningful employment and are set to bear the associated long-term consequences, including lower wages, inferior prospects, and poorer mental health.

"We believe that every young person who wants a job should be able to get one...and Circle is on a mission to make this happen." *Turly Humphreys, Circle Founder and CEO*

We have demonstrated that the right support can reduce these barriers to work for even for the most marginalised youth, supporting over 700 young people into work since 2015. We address the root causes of problems that are barriers to employment and start with basic needs; paying particular attention to mental well-being and making sure no one falls through the net. We guide young people through their journey into/towards employment. We provide them with advisors, advocates, role models, mentors, connectors, peer support and above all, a safe space.

ACHIEVEMENTS AND PERFORMANCE

At the beginning of the 2021/22 financial year, the government allowed non-essential retail to re-open their doors and we were able to start delivery of the essential work experience and customer service training in our Hackney and Lewisham retail sites which had been suspended since the onset of the Covid-19 pandemic in March 2020. While returning to work, we still had to adhere to certain social distancing guidelines, room capacities, enhanced cleaning regimes and kept delivering certain group

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

aspects of our programme via video conferencing until it was deemed safe, phasing our return to pre-pandemic delivery across the financial year.

With April 2021 measures to re-open the retail and hospitality sectors, and office-based work moving towards a hybrid model, we saw the first increase in vacancies since March 2020 in sectors that had needed to make redundancies during lockdown or due to Brexit, and the return of entry level opportunities suitable for most of the young people we support. Additionally, the government announced the 'Kickstart' scheme, which provided subsidised funding to employers to employ young unemployed Job Centre Plus claimants for 25 hours per week at national minimum wage over a 6-month period. This scheme was pivotal to Circle in two ways. Firstly, we were able to support our cohorts of young people into a wide variety of employment opportunities designed to support growth within the economy which gave 6 months of paid work experience in an entry level position. Secondly, the scheme provided the funding for Circle Community and its sister social enterprise Circle Sports CIC to employ 21 young people to work for us for 6 months, providing the work experience and customer service training in our retail stores, delivery administration support to the Job Coaches and supporting with our Digital Team (social media / marketing). Seven of the 21 young people have gone on to contracted or permanent employment with Circle and the majority of the others finding employment elsewhere.

All young people were experiencing high levels of isolation and anxiety with the experience of the pandemic, and we provided young people with a safe space and a sense of purpose and routine during those tumultuous times.

Our delivery model during this time included the following changes:

- one-to-one mentoring – these returned to being in person where it is easier to build a relationship and trust which is an essential element to the Job Coach role.
- Wellbeing sessions – the duration, frequency and content of these sessions continually evolves based on young people's evaluations. In this period we doubled the amount of wellbeing sessions on offer to our young people and moved from online sessions to returning to the classroom where we could utilise group meditation sessions wearing eye masks and our Wellbeing coach being there to support.
- Corporate partner led events – As with the majority of our other sessions, our Corporate Insight session remained online for the start of the financial year and reverted to in person site visits over time whilst some of our corporate supporters have decided to continue via video conferencing due to staff now primarily working from home and new recruits not being London based.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

- Work placements – the re-opening of our two streetwear stores and the delivery of our work experience and customer service training after a year of lock downs and false starts was a huge reason why our performance improved as it supports young people with confidence and anxiety issues, those who are isolated and do not communicate outside of their peer groups and those that have not had any previous paid or voluntary work experience.

New location and re-modelling of our Lewisham store and training centre



A major achievement this year was opening a relocated store and training centre. We took the decision not to re-open our old Lewisham space after the first lockdown in June 2020, instead focusing all our efforts in moving to a new location within Lewisham shopping centre – a much larger, better situated space which will enable Circle Collective to generate more retail income and deliver more work experience whilst providing the charity with an improved training space from which to provide employability support to the increasing number of unemployed young people coming to us as a result of Covid-19. We opened the new space at the beginning of December 2020, only to have to close it again 10 days later for the remainder of the financial year due to Covid-19 lockdown measures, re-opening permanently on April 12th 2021.

This new location represents an exciting opportunity for us to recalibrate and expand our model. We are looking to test a broader community focused model, using the space to deliver events related to our brand, mission and purpose. This will include, for example, facilitated talks on local issues and workshops for mending, clothes exchanges and making. We are hoping to revitalise the shopping centre and public space as well as providing new revenue streams and new work experience opportunities for young people.

“The performance and social impact Circle had in this unprecedented period of time was hard fought and down to the passion and resilience of the team.” *External Social return on Investment Report 2020-21, University of Northampton*

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

We are delighted with our bounce back from the pandemic with our highest performing year on record for starts and job outcomes, as well as new focus on supporting young people into education and training so that we are moving young people away from the 'NEET' status.

333 young people engaged with our Back Your Future employability programme (202 in 2020-21)

246 completed the programme (119 in 2020-21)

114 of those young people went into sustained employment. (59 in 2020-21)

CASE STORY

Da'mar Semder-Knight

Sales Assistant at Learn & CO

After I finished 6th form, I took a gap year to gain some work experience. This felt like a daunting task as I had little to no help when it came to writing up my CV or cover letter and kept getting declined when I was applying to job vacancies. I was referred to Circle through the Job Centre and on the same day Seyda called me and I joined the same week. Joining was pretty much as simple as that.

Circle was enthusiastic with aiding me with my employability. There were many workshops, activities and one to one coaching. As I mentioned earlier, I really struggled with my CV and cover letter to which Seyda covered in workshops and one to one guidance. This was something I loved, as the workshops were tailored completely to us. There were also workshops in collaboration with their partnering companies such as sage which gave us some insight on the employing stage but from the perspective of the employers rather than from us which was really helpful for me. Some of the activities I did at Circle included mock interviews and gaining new skills through the work experience on the shop floor. We were even able to develop our customer service skills, interacting with the customers, and building relationships with them.

There was also a job club which was extremely helpful in helping us find a job. Seyda was really helpful here too as there were many job opportunities she relayed to us, discussing the roles, and evaluating if it would be something we would possibly enjoy, not only in the short run but in the far future as well. Through the job club, there were a variety of roles and job vacancies that were forwarded to us. Which is where I found my current position and I was assisted with the application by Seyda, I was offered the position on the spot.

I'm extremely thankful for everyone in the circle team who helped me get to where I am today.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

Future plans

We know that young people need us more than ever. Since April 2021 when we were able to return to our physical premises, the number of young people signing up for our support is higher than any pre-pandemic year.

We are keen to further expand our geographical footprint and reach more young people across London.

We are in discussion with two of our long-term corporate partners, LandSec and Canary Wharf Group, regarding new venues and are exploring the opportunities they present.

Over the next 12 months we plan to increase our staff capacity, as we physically expand, and to cope with demand and adapt to young people's evolving needs.

We want to ensure that we can provide the best possible opportunities to those young people coming to us.

We want to broaden our employer partnerships, including with sectors that offer potential opportunities for young people post Covid-19.

We will also continue to explore the role of self-employment in generating more opportunities for young people through our 'Navigating the Gig Economy' program.

FUNDRAISING STATEMENT

We fundraise so that we can provide the services that deliver our charitable objectives and to deliver our mission that all young people that want a job are able to get one.

We have regard to the guidance provided by the Fundraising Regulator, and we actively support the Code of Fundraising Practice. We promise to be open, honest, clear, respectful, fair, reasonable and accountable.

Our warmest thanks go to everyone who has supported Circle Community this year. We are so grateful for the support of our wonderful corporate volunteers and companies who have provided us with hundreds of hours of pro bono support including mentoring, workshops and career experiences and other in-kind donations.

**CIRCLE COMMUNITY LTD
(A COMPANY LIMITED BY GUARANTEE)**

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FOR THE YEAR ENDED 31 MARCH 2022

We would like to highlight the support of our corporate partners, in particular Landsec, who are also our landlords in Lewisham shopping centre, and who continue to support us and The London Stock Exchange Group.

We would also like to thank grant giving organisations who supported us in 2021-22 including BBC Children in Need/Youth Futures Foundation, Charities Aid Foundation, Henry Smith Charity, National Lottery Community Fund, Paddington Development Trust, Peter Cruddas Foundation, The Drapers' Company, The Evening Standard's Dispossessed Fund, The Skinners' Company Lawrence Atwell's Charity and The Salters Charitable Foundation.

FINANCIAL REVIEW AND RESERVES POLICY

Circle Community's principal sources of funds are grant giving organisations, statutory contracts and corporate donations, with a small amount of income received through individual donations.

Income for the year was £465,853 (2021: £369,306) and expenditure was £441,840 (2021: £321,382) giving us a surplus for the year of £24,013 (2021: surplus of £47,922).

The Trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charities Commission and produced a reserves policy which requires reserves to be developed to a reasonable level to ensure the charity can run efficiently and ensure the continuation of core activities during a period of unforeseen difficulty.

The target value of these free reserves should be a minimum of three months of core operating costs and a maximum of three months of worth of total costs. Our reserves should be maintained in a realisable form – a bank account without access restrictions. For 2021/22 this amount is calculated as minimum £78,456 and maximum £110,460.

At 31 March 2022, our total free reserves were £130,488, above our target boundary, as we start to build resilience for expanding our geographical footprint. We keep at least £10,000 of our reserves in a dedicated interest-bearing bank account held at Charity Bank.

**CIRCLE COMMUNITY LTD
(A COMPANY LIMITED BY GUARANTEE)**

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' RESPONSIBILITIES IN RELATION TO FINANCIAL STATEMENTS

The Trustees (who are also directors of Circle Community Ltd for the purposes of company law) are responsible for preparing the Directors' and Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the Charity's finances.

In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statements of Recommended of Recommended Practise;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

APPROVED BY THE BOARD OF DIRECTORS AND SIGNED ON ITS BEHALF BY



Robert Coe

Treasurer

Date 22/11/22

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CIRCLE COMMUNITY LTD

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2022.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 (the '2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's report

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- (1) accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those accounting records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Anthony Epton BA, FCA, CTA, FCIE

22 November 2022

Goldwins Limited

Chartered Accountants

75 Maygrove Road

West Hampstead

London NW6 2EG

Circle Community Ltd
Statement of financial activities
(incorporating an 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	2	111,257	262,458	373,715	345,982
Charitable activities	3	92,102	-	92,102	23,206
Investment income	4	36	-	36	116
Total income		203,395	262,458	465,853	369,304
Expenditure on:					
Raising funds		15,060	11,252	26,312	32,046
Charitable activities		107,645	307,883	415,528	289,336
Total expenditure	5	122,705	319,135	441,840	321,382
Net income for the year	6	80,690	(56,677)	24,013	47,922
Transfers between funds		-	-	-	-
Net movement in funds		80,690	(56,677)	24,013	47,922
Reconciliation of funds:					
Funds brought forward		49,798	84,200	133,998	86,076
Total funds carried forward	13	130,488	27,523	158,011	133,998

All of the above results are derived from continuing activities.
There were no other recognised gains or losses other than those stated above.
The attached notes form part of these financial statements.

Circle Community Ltd

Balance sheet

As at 31 March 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets:					
Tangible assets	9		1,008		2,130
Current assets:					
Debtors	10	54,107		21,415	
Cash at bank and in hand		284,858		140,602	
		<u>338,965</u>		<u>162,017</u>	
Liabilities:					
Creditors: amounts falling due within one year	11	<u>(181,962)</u>		<u>(30,149)</u>	
Net current assets			<u>157,003</u>		<u>131,868</u>
Total net assets			<u>158,011</u>		<u>133,998</u>
Funds	13				
Restricted funds			27,523		84,200
Unrestricted funds:					
General funds		<u>130,488</u>		<u>49,798</u>	
Total unrestricted funds			<u>130,488</u>		<u>49,798</u>
Total funds			<u>158,011</u>		<u>133,998</u>

For the financial year ended 31 March 2022, the Charitable Company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,

- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

Approved by the trustees on 22 November 2022 and signed on their behalf by:



Robert Coe
Trustee

Company registration no. 07667918

The attached notes form part of the financial statements.

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 - effective 1 January 2015) - Charities SORP (FRS 102) and the Companies Act 2006.

The charitable company 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 or note.

b) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Income

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

d) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

1 Accounting policies (continued)

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise of trading costs and the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of 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 costs, finance and governance costs which support the Trust's charitable activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

i) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

~	Fixtures and fittings	straight line basis over 5 years
~	Computer equipment	straight line basis over 3 years

j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

k) Cash at bank and in hand

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

l) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

n) Pensions

The charity operates a defined contribution pension scheme under auto-enrolment.

Circle Community Ltd
Notes to the financial statements
For the year ended 31 March 2022

2 Income from donations and grants

	Unrestricted 2022	Restricted 2022	Total 2022	Total 2021
	£	£	£	£
Donations, fundraising and small grants	5,395	1,000	6,395	3,507
BBC Children in Need	-	21,802	21,802	31,720
Charities Aid Foundation	-	29,880	29,880	-
Drapers Charitable Fund	-	1,875	1,875	7,500
Department for Work and Pensions	-	47,500	47,500	-
Fitch Ratings	-	-	-	2,000
Greater London Authority Young People's Fund	-	34,790	34,790	59,323
Henry Smith Charity	26,667	-	26,667	-
Landsec	-	20,000	20,000	28,873
LB Lewisham	42,195	10,038	52,233	-
LB Tower Hamlets	10,000	6,333	16,333	-
London Community Response	-	-	-	11,765
London Stock Exchange Group Foundation	15,000	-	15,000	-
National Lottery Community Fund Reaching Communities	-	71,862	71,862	113,232
Paddington Development Trust	-	4,878	4,878	25,592
Peter Cruddas Foundation	2,000	-	2,000	15,000
Salters Charitable Foundation	-	2,500	2,500	-
The Fore	-	-	-	5,000
The London Community Foundation	-	10,000	10,000	10,000
The Skinners' Company Lawrence Atwell's Charity	10,000	-	10,000	10,000
The Society Foundation	-	-	-	234
UBS	-	-	-	10,000
United Way	-	-	-	6,800
Coronavirus Job Retention Scheme	-	-	-	5,436
	111,257	262,458	373,715	345,982

3 Charitable activities

	Unrestricted 2022	Restricted 2022	Total 2022	Total 2021
	£	£	£	£
Earned income: Training contracts	92,102	-	92,102	22,486
Miscellaneous	-	-	-	720
	92,102	-	92,102	23,206

4 Income from investments

	Unrestricted 2022	Restricted 2022	Total 2022	Total 2021
	£	£	£	£
Bank interest	36	-	36	116
	36	-	36	116

5 Analysis of expenditure

	Cost of raising funds £	Charitable activities £	Support costs £	Governance Costs £	Total 2022 £	Total 2021 £
Staff costs	-	147,403	126,407	-	273,810	216,583
Other staff costs	-	-	3,220	-	3,220	2,160
Staff, Volunteer & Young Peoples travel	-	895	-	-	895	1,514
Training costs	-	747	-	-	747	2,430
Coaching fees	-	15,715	-	-	15,715	2,800
Room hire and other direct costs	-	4,080	-	-	4,080	245
Advertising and promotion	-	9,406	-	-	9,406	2,294
Evaluation	-	1,800	-	-	1,800	1,800
Grants paid to Circle Sports C.I.C.	-	60,041	-	-	60,041	17,933
Fundraising costs	26,312	-	-	-	26,312	32,046
Office Refurbishment - Lewisham	-	-	-	-	-	8,478
Rent, rates, utilities and other premises costs	-	-	16,860	-	16,860	6,150
Office supplies	-	-	4,191	-	4,191	2,570
Communications and IT	-	-	5,279	-	5,279	7,635
Insurance	-	-	713	-	713	688
Bank charges and other finance costs	-	-	845	-	845	1,873
Accountancy fees	-	-	5,570	-	5,570	6,685
Independent examination fee	-	-	-	3,840	3,840	3,840
Other legal and professional fees	-	-	6,540	-	6,540	900
Membership and subscriptions	-	-	792	-	792	1,413
Trustee expenses	-	-	62	-	62	-
Depreciation	-	-	1,122	-	1,122	1,345
	26,312	240,087	171,601	3,840	441,840	321,382
Support costs	-	171,601	(171,601)	-	-	-
Governance costs	-	3,840	-	(3,840)	-	-
Total expenditure 2022	26,312	415,528	-	-	441,840	
Total expenditure 2021	32,046	289,336	-	-		321,382

Of the total expenditure £319,135 was restricted (2021: £255,208) and £122,705 was unrestricted (2021: £66,174).

Circle Community Ltd**Notes to the financial statements****For the year ended 31 March 2022**

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2022	2021
	£	£
Depreciation	1,122	1,345
Operating lease rentals: Property	2,528	1,896
Independent Examiner's remuneration	3,200	3,200
	<u>3,200</u>	<u>3,200</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	242,098	196,750
Social security costs	19,382	15,848
Employer's contribution to defined contribution pension schemes	12,330	5,820
	<u>273,810</u>	<u>216,583</u>

None of the employees received employee benefits in excess of 60,000 during the year between (2021: 0).

The total employee benefits including pension contributions of the key management personnel were £159,261 (2021: £139,803).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £nil). One trustee was reimbursed travelling expenses of £62 (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 16 (2021: 7).

8 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Circle Community Ltd
Notes to the financial statements
For the year ended 31 March 2022

9 Tangible fixed assets

	Fixtures, Fittings and Equipment £	Total £
Cost		
At the start of the year	6,419	6,419
Additions in year	-	-
Disposals in year	-	-
At the end of the year	<u>6,419</u>	<u>6,419</u>
Depreciation		
At the start of the year	4,289	4,289
Charge for the year	1,122	1,122
At the end of the year	<u>5,411</u>	<u>5,411</u>
Net book value		
At the end of the year	<u>1,008</u>	<u>1,008</u>
At the start of the year	<u>2,130</u>	<u>2,130</u>

All of the above assets are used for charitable purposes.

10 Debtors

	2022 £	2021 £
Donations and grants receivable	33,407	-
Intercompany debtor - Circle Sports CIC	20,700	21,415
	<u>54,107</u>	<u>21,415</u>

11 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	2,504	-
Taxation and social security	-	18,614
Deferred income	173,737	-
Other creditors	1,881	4,379
Accruals	3,840	7,156
	<u>181,962</u>	<u>30,149</u>

12 Analysis of net assets between funds

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	748	260	1,008
Net current assets	129,740	27,263	157,003
Net assets at the end of the year	<u>130,488</u>	<u>27,523</u>	<u>158,011</u>

Circle Community Ltd
Notes to the financial statements
For the year ended 31 March 2022

13 Movements in funds

	At the start of the year £	Income and gains £	Expenditure and losses £	Transfers £	At the end of the year £
Restricted funds:					
Back Your Future	64,256	257,458	(294,451)	-	27,263
Navigating the Gig Economy	19,310	5,000	(24,310)	-	-
Fixed Assets	634	-	(374)	-	260
Total restricted funds	84,200	262,458	(319,135)	-	27,523
Unrestricted funds:					
General funds	49,798	203,395	(122,705)	-	130,488
Total unrestricted funds	49,798	203,395	(122,705)	-	130,488
Total funds	133,998	465,853	(441,840)	-	158,011

Purposes of restricted funds

Back Your Future (previously known as Get Employed) programme is our main area of work and is funded by various funders including the Young Londoners Fund and Reaching Communities from The National Lottery Community Fund.

Navigating the Gig Economy is a programme which is funded by the Young Londoners Fund.

The restricted fund for **Fixed Assets** represents a grant received for the purchase of equipment which is being depreciated as per our depreciation policy.

14 Analysis of cash and cash equivalents

	At the start of the year £	Cash flows £	Other changes £	At the end of the year
Cash at bank and in hand	140,602	144,256	-	284,858
Total cash and cash equivalents	140,602	144,256	-	284,858

Circle Community Ltd**Notes to the financial statements****For the year ended 31 March 2022**

15 Operating lease commitments

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

	Property 2022 £	Property 2021 £
Less than 1 year	3,792	5,056
1 - 5 years	-	3,792
	<u>3,792</u>	<u>8,848</u>

16 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £10 in the event of the charity being wound up.

17 Related party transactions

Circle Sports CIC is the trading element of the charity which is a commercial shop used to generate funds and also train our beneficiaries. Mr D Unger, a trustee of the charity, and Ms T Humphreys, part of the key management personnel of the charity, are directors of Circle Sports CIC. There is an intercompany loan between the charity and Circle Sports CIC. At the balance sheet date the amount due from Circle Sports CIC was £20,700 (2021: £21,415).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

Circle Community Ltd
Notes to the financial statements
For the year ended 31 March 2022

18 Previous reporting period information

18a Detailed comparatives for the statement of financial activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Income from:			
Donations	86,616	259,366	345,982
Charitable activities	4,540	18,666	23,206
Investment income	116	-	116
Total income	91,272	278,032	369,304
Expenditure on:			
Raising funds	20,794	11,252	32,046
Charitable activities	45,380	243,956	289,336
Total expenditure	66,174	255,208	321,382
Net income for the year	25,098	22,824	47,922
Transfers between funds	-	-	-
Net movement in funds	25,098	22,824	47,922
Reconciliation of funds:			
Funds brought forward as previously reported	49,385	61,376	110,761
Prior year adjustment	(24,685)	-	(24,685)
Funds brought forward as restated	24,700	61,376	86,076
Total funds carried forward	49,798	84,200	133,998

Circle Community Ltd
Notes to the financial statements
For the year ended 31 March 2022

18b Analysis of expenditure of previous reporting period

	Cost of raising funds £	Charitable activities £	Support costs £	Governance Costs £	Total 2021 £
Staff costs	-	199,497	17,086	-	216,583
Other staff costs	-	2,160	-	-	2,160
Staff, Volunteer & Young Peoples travel	-	1,514	-	-	1,514
Training costs	-	2,430	-	-	2,430
Coaching fees	-	2,800	-	-	2,800
Room hire and other direct costs	-	245	-	-	245
Advertising and promotion	-	2,294	-	-	2,294
Evaluation	-	1,800	-	-	1,800
Grants paid to Circle Sports C.I.C.	-	17,933	-	-	17,933
Fundraising costs	32,046	-	-	-	32,046
Office Refurbishment - Lewisham	-	-	8,478	-	8,478
Rent, rates, utilities and other premises	-	-	6,150	-	6,150
Office supplies	-	-	2,570	-	2,570
Communications and IT	-	-	7,635	-	7,635
Insurance	-	-	688	-	688
Bank charges and other finance costs	-	-	1,873	-	1,873
Accountancy fees	-	-	6,685	-	6,685
Independent examination fee	-	-	-	3,840	3,840
Other legal and professional fees	-	-	900	-	900
Membership and subscriptions	-	-	1,413	-	1,413
Depreciation	-	-	1,345	-	1,345
	32,046	230,673	54,823	3,840	321,382
Support costs	-	54,823	(54,823)	-	-
Governance costs	-	3,840	-	(3,840)	-
Total expenditure 2021	32,046	289,336	-	-	321,382

Circle Community Ltd
Notes to the financial statements
For the year ended 31 March 2022

18c Analysis of net assets between funds of previous reporting period

	General unrestricted	Restricted	Total funds
	£	£	£
Tangible fixed assets	1,496	634	2,130
Net current assets	48,302	83,566	131,868
Net assets at the end of the year	49,798	84,200	133,998

18d Movements in funds for the previous reporting period

	At the start of the year £	Income and gains £	Expenses and losses £	Transfers £	At the end of the year £
Restricted funds:					
Back Your Future	50,557	266,143	(252,444)	-	64,256
Navigating the Gig Economy	10,049	11,655	(2,394)	-	19,310
Fixed Assets	770	234	(370)	-	634
Total restricted funds	61,376	278,032	(255,208)	-	84,200
Unrestricted funds:					
General funds	24,700	91,272	(66,174)	-	49,798
Total unrestricted funds	24,700	91,272	(66,174)	-	49,798
Total funds	86,076	369,304	(321,382)	-	133,998