

COMMUNITY CONNEX LIMITED

(A Company Limited by Guarantee)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31st MARCH 2023

Company Number: 02050929

Charity number: 295263

COMMUNITY CONNEX LIMITED
(A Company Limited by Guarantee)

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Charitable Company Information

Directors:

| | |
|-------------|------------|
| A Verma | Chair |
| H Paterson | Vice Chair |
| B Pritchard | Treasurer |
| R Amin | |
| A Dawson | |
| D House | |
| S Mukne | |
| A Robinson | |
| R Tailor | |

Key Management Personnel:

| | |
|--------------|---|
| D. Pillay | Chief Executive and Secretary |
| A Davies | Deputy Chief Executive |
| H A Chilemba | Director of Finance & Resources (Interim) – to 30 June 2023 |
| C Kamaray | Director of Finance – from 3 July 2023 |

Reference and Administrative Details:

Charity Commission Registration Number: 0295263 Companies House Registration Number: 02050929

Registered Office:

3 Jardine House, Harrovia Business Village, Bessborough Road, Harrow HA1 3EX.

Auditors:

Calculus Assurance Services, 5 Priory Road, Loughton, IG10 1AF.

Bankers:

Lloyds Bank Plc, 286 - 288, Station Road, Harrow, HA1 2EB.
NatWest Bank, 81 Uxbridge Road, Hatch End, Pinner, HA5 4JN.
Metro Bank, One Southampton Row, London, WC1B 5HA.

Lenders:

Charity Bank, Fosse House, 182 Hight Street, Tonbridge, TN9 1BE.

Solicitors:

Walter Wilson Richmond, 360B Station Road, Harrow, HA1 2DE.

COMMUNITY CONNEX LIMITED
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Report of the Trustees (including the Directors' Report) for the Year Ended 31st March 2023

Change of Name

Community Connex Limited changed its name from Harrow Mencap by Special Resolution of the members on 16 March 2021 and the change of name was registered by Companies House on 16 April 2021.

Financial statements

The Trustees (who are also the directors for the purposes of company law) present their report (which incorporates the Directors' Report as required by company law) and the audited financial statements of the charity for the year ended 31 March 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

ACHIEVEMENTS AND PERFORMANCE

Key Priorities and achievements:

The activities and deliverables in Year one of our revised business plan are very much about consolidation; maintaining the range and quality of our services; investing in our workforce, developing our management teams and capacity; investing in our governance and support infrastructure, including: HR, IT and more agile systems to effectively manage our developing business – in essence, putting in place the building blocks that will aid our resilience and future growth.

The direction we have set along with the actions we have taken will help us continue to build a stronger, resilient and sustainable organisation that is able to respond proactively to the current challenges and opportunities ahead.

Our key priorities for the next three years are:

- Consolidating then growing our services and community presence
- Robust governance and effective financial management
- An empowered people resource

Consolidating then growing our services and community presence

- During this financial year we have extended our children and young people services in Hillingdon, providing a range of breaks and activities during school holidays and weekends
- We have extended our inclusive community activities through partnerships with local establishments in both Hillingdon and Harrow

Robust governance and effective financial management

- We have undertaken a review of our Trustee skills requirements; completed appraisals and identified key areas for development
- We have undertaken a review of our finance and administration teams and have started to put in place a revised and enhanced management structure

An empowered people resource

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- We have established a business partnership arrangement to enhance our HR capacity to meet the recruitment and retention challenges within the sector in which we operate whilst building for future needs of a growing business and a diverse workforce
- We have invested in our frontline staff by committing to the London Living Wage
- We have restructured our senior management team and increased capacity to support our operational teams and respond to growth opportunities
- The review of our IIP (Silver) quality mark led to us achieving the Gold standard

As an organisation, we have continued with our Campaigning activities through the support of self-advocates, families and carers and ensuring their voices are heard. We were instrumental in ensuring that Harrow's statutory authorities' Learning Disability & Autism strategy was codesigned with individuals, families and voluntary sector and other providers.

We continue to work to influence the local agenda through our active participation in key strategic forums and groups.

Citizens with learning disabilities are entitled to an Annual Health Check which can make a real difference by identifying health problems early and in supporting an individual to live a healthy lifestyle.

We have ensured that individuals voices are heard as members of the Learning Disability and Autism Integrated Care Partnership.

Our key priorities moving forward will continue to build on our work to date, including:

- Consolidating and growing our services and community presence by ensuring that our services continue to be personalised, that we listen and respond to our clients and families and aim to retain existing contracts and services whilst broadening our client base.
- Delivering responsive governance and effective financial management by reviewing and enhancing Board effectiveness, investing to improve our infrastructure and internal control systems.
- Empowering our people resource by building a talented workforce and developing a performance-based culture.

FINANCIAL REVIEW

The total income for the year was £2.99m compared to £2.44m in the previous year, an increase of 23%. Overall expenditure was £2.75m compared to £2.52m last year, an increase of 9%. Consequently, the overall results for the year are a surplus of £0.24m compared to a deficit last year of £0.08m.

It is encouraging to note that the increase in income is mainly from our core services which rose by 22% compared to the previous year. Principal funding sources are Community Connex services and other contractual receipts £2.29m (2022: £1.88m).

Fundraising activities cost £81,000 (2022: £69,000) (Note 8b) and brought in income from events £200,000 (2022: £135,000) (Note 6) and donations and gift aid recovered £115,000 (2022: £15,000) (Note 4).

RESERVES

Unrestricted Funds

The Directors' policy is to aim to build up uncommitted reserves to a level equivalent to 6 months current running costs. This is in order to safeguard and underwrite Community Connex's continuing

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Report of the Trustees (including the Directors' Report) for the Year Ended 31st March 2023

activities and meet its contractual obligations in the event of a reduction or cut in our income. At the year-end, the total funds were £2.028m with £1.137m designated to meet our existing freehold and leasehold obligations to our Pinner Green centres, and our Jardine House office. However restricted funds were overdrawn by £160,533 and a transfer of this sum has had to be made from unrestricted reserves. Unrestricted and undesignated funds amounted to £863,152, representing approximately four months operating expenses.

Restricted Funds

These funds are given for specific projects and cannot be utilised to fund shortfalls in the general charity income. Any surpluses remaining after a project has finished are required to be returned to the funding body.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Community Connex is incorporated as a company limited by guarantee and not having any share capital. The company is also registered with the Charity Commission. The charity's objects, powers, board and membership details are contained within the company's Memorandum and Articles of Association, as revised on 28 March 2018, which is the governing document.

Objects

Community Connex's objects as set out in its Memorandum and Articles of Association are:

The Objects of the Charity are, for the public benefit:

- in particular to relieve the need of those with a learning disability but also for the relief of persons with a need arising from age, disability or other disadvantage giving rise to a charitable need by the provision of help and support for them and for their families, dependents and carers; and
- to provide or assist in the provision of facilities for the recreation or other leisure time occupation, in particular for those with a learning disability but also for people who have need thereof arising from age, disability or other disadvantage giving rise to a charitable need, with the object of improving their conditions of life.

Public Benefit

We have set out in this report the main activities undertaken by the organisation in order to carry out the charity's aims for the public benefit as set out in its Memorandum. In doing so, we have had due regard to the public benefit guidance published by the Charity Commission.

Custodian Trustee arrangements

The Board is a corporate trustee of a trust initially established to fund care for an ex-client of the organisation.

Management

The charity is managed by the senior staff team following delegated authorities set out in standing orders and financial regulations approved by the board. The standing orders contain board member rules, staff appointments, procedures for board and committees, financial control procedures. The financial regulations contain detailed rules on the financial management and control of the charity.

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The Chief Executive and the Senior Leadership Team manage the charity's operations. The charity currently has three senior leaders.

The remuneration of key senior personnel is set by the board taking into account comparative salaries in the sector and advice from specialist recruitment consultants working in the charity sector. Amounts paid in the year are included in Note 11.

Recruitment of Directors/Trustees

- Potential candidates meet with the Chair & the Chief Executive/Company Secretary
- Skills & qualities of potential directors are matched with the job description & person specification
- Successful candidates have a DBS check, sign a declaration of eligibility and disqualification, contract, code of conduct, become a member of Community Connex Ltd., attend a Board meeting to be formally elected with full voting rights.
- Identify training, support needs and review sessions and send an appointment form to Companies House

Directors'/Trustees' responsibilities in relation to the financial statements

The trustees (who are also the directors for the purposes of company law) are responsible for preparing the Report of the Trustees and 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 year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 SORP 2019 (FRS 102);
- 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;
- 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Compliance with laws and regulations

The trustees have established policies and procedures designed to ensure that it complies with all material laws and regulations in relation to the charitable company's operations and activities. The trustees after enquiring of staff are not aware of any significant non-compliance with laws and regulations.

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Risk Management

The major risks to the charity include government policies around budget cuts, reliance on short term funding and risks associated with the organisational structure. The Senior Leadership Team with input from operational staff continuously conduct reviews of the risks to which the charity is exposed and produce systems and procedures to manage those risks.

Volunteers

Community Connex has always valued and used volunteers in carrying out various activities. In the year just ended, we made a significant use of volunteers in charitable income generating activities. However, we have not included volunteer time as a gift in kind in the accounts.

Related Parties and connected charities

Community Connex is affiliated to the national Mencap charity but is constituted as a separate independent charity. All trustees and senior staff complete a declaration of interests form at the time of appointment which is updated annually for any changes. From these declarations potential related parties can be identified. Transactions with related parties are detailed in Note 24.

Fundraising Standards Information

Community Connex employs one full time community fundraising manager and two part time community fundraising officers (equivalent to a 1.80 FTE post). These community fundraisers specialize in tin collections at local supermarkets and organizing community events and activities for donations from attendees. We also work with external bid writers in applying for trusts & foundations grants, lottery funds and government commissioning contracts.

Community Connex complies with the Fundraising Code of Practice regulations that came into effect in October 2019 and conducts our fundraising efforts accordingly. There were no reported incidents of regulation breach or complaints made about any of our fundraisers.

In line with our GDPR and safeguarding policies, we only make direct fundraising appeals to attendees of our community events and activities who have freely given us consent. An unsubscribe button was available on every email appeal to allow for easy and instant termination of messages at the recipient's request. Our social media-based campaigns are of non-financial option to support our work through spreading the word or volunteering, so the community is made aware of other valuable ways to get involved. Social media users can easily un-follow or temporarily mute such campaign posts from our charity.

Donations are received from members of the public and attendees to our community events either via cash collecting tins or via an envelope to the administration office/community fundraising manager. Community Connex seeks to protect vulnerable people by not directing fundraising to specific individuals, monitoring amounts received from individuals and refusing excessive donations from vulnerable individuals. Where staff receiving or monitoring donations from individuals are concerned that the level of giving is disproportionate to their circumstances, they will refer this to the safeguarding team to review.

Statement of disclosure of information to auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

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Report of the Trustees (including the Directors' Report) for the Year Ended 31st March 2023

- we have taken all steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Appointment of auditors

The trustees carried a tender process to ensure the charity was receiving value for money for its audit service. As a result of the tender the trustees appointed Calculus Audit Services as external auditor for three years commencing with the year ended 31 March 2019. From March 2022 the firm changed its name to Calculus Assurance Services and the audit report is signed in this name.

A resolution proposing that Calculus Assurance Services be re-appointed as auditors of the charity will be put to the Board Meeting in January 2024.

Small company exemptions

The report of the directors has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

This report was approved by the Board of Trustees on 26 October 2023 and signed on its behalf, by:

Ash Verma
Ash Verma (Nov 9, 2023 17:25 GMT)
.....
A Verma, Chair

COMMUNITY CONNEX LIMITED
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Independent Auditor's Report to the Trustees of Community Connex
for the Year Ended 31 March 2023

Opinion

We have audited the financial statements of Community Connex Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated and parent company statement of financial activities, consolidated and parent company balance sheet and the consolidated statement of cash flows and notes to the financial statements, including 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 and parent charitable company's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011 and the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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.

We have undertaken the audit in accordance with the requirements of the FRC Ethical Standards including FRC Ethical Standard section 6 – Provisions Available for Audits of Small Entities, in the circumstances set out in note 9b) to the financial statements.

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

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

Other information

The other information comprises the information included in the trustees' 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

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Independent Auditor's Report to the Trustees of Community Connex
for the Year Ended 31 March 2023

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

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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
- sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5 the trustees (who are also the directors of the parent 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 groups and 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

We have been appointed auditor under section 151 of the Charities Act 2011 and report in accordance with this 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

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Independent Auditor's Report to the Trustees of Community Connex
for the Year Ended 31 March 2023

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:

- Obtaining an understanding of the laws and regulations that have a direct effect on the charity in carrying out its operations or have an impact on the financial statements. The key laws and regulations we identified included the Charities Act 2011, the Companies Act 2006, the Care Act 2014 (and regulations made under these Acts), safeguarding (in respect of children and vulnerable adults), health and safety legislation and employment legislation. This assessment has informed our sample testing of transactions and balances.
- Understanding the system of internal control established by the trustees have in place to prevent and detect fraud.
- Enquiring of management and those charged with governance if there have been any breaches or non-compliance with laws and regulations and their knowledge of any potential litigation or claims against the charity and any suspected or actual incidents of fraud and where applicable an estimate of the financial impact.
- Reviewing the minutes of the Trustee Board meetings for evidence of non-compliance with laws and regulations and suspected or actual fraud.
- Reviewing the financial statement disclosures and checking supporting documentation to assess compliance with applicable laws and regulations.
- Carried out audit testing of journal entries and other adjustments and the rationale supporting significant judgemental areas in the financial statements and accounting estimates for evidence of management bias or override of controls.

Due to 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

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

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Independent Auditor's Report to the Trustees of Community Connex
for the Year Ended 31 March 2023

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 the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Calculus Assurance Services

.....
Calculus Assurance Services,
Statutory Auditor

5 Priory Road
Loughton
IG10 1AF

Date: 09/11/2023
.....

Calculus Assurance Services is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

(A Company Limited by Guarantee)
Consolidated Statement of Financial Activities (including income and expenditure account)
for the year ended 31 March 2023

| | | 2023 | | | 2022 | | |
|---|------|-----------------------|---------------------|-----------------|------------------|-----------------|------------------|
| | | Unrestricted funds | Restricted funds | Total funds | Total funds | Total funds | Total funds |
| | Note | £' 000 | £' 000 | Group £' 000 | Parent £' 000 | Group £' 000 | Parent £' 000 |
| Income | | | | | | | |
| Donations and legacies | 4 | 432 | 109 | 541 | 476 | 418 | 353 |
| Charitable activities | 5 | 2,289 | 0 | 2,289 | 2,289 | 1,879 | 1,879 |
| Other - activities for generating funds | 6 | 161 | 0 | 161 | 200 | 134 | 175 |
| Investments | 6 | 3 | 0 | 3 | 3 | 5 | 5 |
| Total income | | 2,885 | 109 | 2,994 | 2,968 | 2,436 | 2,412 |
| Expenditure | | | | | | | |
| Charitable activities | 7 | 2,343 | 320 | 2,663 | 2,638 | 2,439 | 2,414 |
| Cost of generating funds | 8 | 81 | 0 | 81 | 81 | 69 | 69 |
| Governance costs | 9 | 7 | 0 | 7 | 7 | 9 | 7 |
| Total expenditure | | 2,431 | 320 | 2,751 | 2,726 | 2,517 | 2,490 |
| Realised gains / (losses) on investments | | 0 | 0 | 0 | 0 | 0 | 0 |
| Unrealised gains / (losses) on investments | | 0 | 0 | 0 | 0 | 0 | 0 |
| Net income / (expenditure) | | 453 | (210) | 243 | 242 | (81) | (78) |
| Transfers between funds | | (161) | 161 | 0 | 0 | 0 | 0 |
| Other recognised gains / (losses): | | | | | | | |
| Gains / (losses) on revaluation of fixed assets | | 0 | 0 | 0 | 0 | 0 | 0 |
| Net movement in funds | | 293 | (50) | 243 | 242 | (81) | (78) |
| Reconciliation of funds | | | | | | | |
| Total funds brought forward | | 1,707 | 50 | 1,757 | 1,748 | 1,838 | 1,826 |
| | | 2,000 | 0 | 2,000 | 1,990 | 1,757 | 1,748 |
| Restricted fund arising on consolidation | | | 28 | 28 | 0 | 28 | 0 |
| Total funds carried forward | | 2,000 | 28 | 2,028 | 1,990 | 1,785 | 1,748 |

The notes on pages 16 to 32 form an integral part of these financial statements.

COMMUNITY CONNEX LIMITED
(A Company Limited by Guarantee)
COMPANY NUMBER: 02050929
Balance Sheet/Statement of Financial Position as at 31 March 2023

| | | 2023 | | 2022 | |
|--|-------------|---------------|---------------|---------------|---------------|
| | Note | Group | Parent | Group | Parent |
| | | £' 000 | £' 000 | £' 000 | £' 000 |
| Fixed assets | | | | | |
| Tangible assets | 14 | 644 | 643 | 686 | 686 |
| Investments | | 0 | 0 | | 0 |
| Total fixed assets | | 644 | 643 | 686 | 686 |
| Current assets | | | | | |
| Debtors | 15 | 379 | 404 | 471 | 481 |
| Cash at bank | | 1,484 | 1,420 | 1,188 | 1,128 |
| Total current assets | | 1,863 | 1,824 | 1,659 | 1,609 |
| Liabilities | | | | | |
| Creditors falling due within one year | 16 | (228) | (226) | (291) | (278) |
| Net current assets | | 1,635 | 1,598 | 1,368 | 1,331 |
| Total assets less current liabilities | | 2,279 | 2,241 | 2,054 | 2,017 |
| Creditors falling due after more than one year | 18 | (251) | (251) | (269) | (269) |
| Net assets | | 2,028 | 1,990 | 1,785 | 1,748 |
| The funds of the charity: | 19 | | | | |
| Restricted income funds | 19b | 0 | 0 | 50 | 50 |
| Other restricted funds | 19b | 28 | 0 | 28 | 0 |
| Designated funds | 19a | 1,138 | 1,137 | 1,129 | 1,129 |
| Unrestricted funds | 19a | 852 | 853 | 569 | 569 |
| Other group funds | 19a | 10 | 0 | 9 | 0 |
| Total charity funds | | 2,028 | 1,990 | 1,785 | 1,748 |

COMMUNITY CONNEX LIMITED
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COMPANY NUMBER: 02050929

Balance Sheet/Statement of Financial Position as at 31 March 2023

For the year ended 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

Directors' responsibilities:

- 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 the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 Section 1A and the Charities SORP (FRS 102).

These financial statements set out on pages 12 to 32 were approved and authorised for issue by the Trustees on 26 October 2023 and signed on their behalf by:

Ash Verma
Ash Verma (Nov 9, 2023 17:25 GMT)
.....
A Verma, Chair

The notes on pages 16 to 32 form an integral part of these financial statements.

COMMUNITY CONNEX LIMITED
(A Company Limited by Guarantee)

Consolidated Cash Flow Statement for the Year Ended 31 March 2023

| | Note | 2023 £' 000 | 2022 £' 000 |
|--|------|----------------|----------------|
| Cash flows from operating activities | | | |
| Net cash provided by (used in) operating activities | i | 312 | (75) |
| | | 312 | (75) |
| Cash flows from investing activities: | | | |
| Dividends and interest from investments | | 3 | 5 |
| Net assets other than cash introduced on business combination | | | |
| Purchase of property, plant and equipment | | (1) | 2 |
| Net cash provided by (used in) investing activities | | 2 | 7 |
| Cash flows from financing activities: | | | |
| Repayments of borrowing | | (18) | (18) |
| Net cash provided by (used in) financing activities | | (18) | (18) |
| Change in cash & cash equivalents in the reporting period | | 296 | (86) |
| Cash and cash equivalents at start of the reporting period | | 1,188 | 1,274 |
| Cash and cash equivalents at end of the reporting period | | 1,484 | 1,188 |
| Note i | | | |
| Net surplus / (deficit) for year | | 243 | (81) |
| Depreciation | | 43 | 56 |
| Dividends and interest from investments | | (3) | (9) |
| Interest payable | | | |
| Gains/losses in value of investments | | 0 | 0 |
| Cash introduced on business combination | | | 0 |
| Loan repayments | | | |
| Decrease /(increase) in debtors | | 92 | (108) |
| Increase / (decrease) in creditors | | (63) | 67 |
| Net cash inflow from operating activities | | 312 | (75) |

The notes on pages 16 to 32 form an integral part of these financial statements.

COMMUNITY CONNEX LIMITED
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Notes to the Consolidated Financial Statements for the Year Ended 31 March 2023

1. Accounting Policies

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

Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 the Small Companies and Groups (Accounts and Directors Reports) Regulation 2008 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £000.

The Charity has availed itself of paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities.

Basis of Consolidation

The consolidated financial statements have been prepared using the acquisition method of accounting where the results of subsidiary undertakings are included from the date of acquisition (when the parent obtains control) and inter group transactions are eliminated on consolidation.

Going concern

The charity is dependent upon grant funding and purchase of personal support services. While these sources of income are highly likely to continue for the foreseeable future, there is a risk that some grants will not be renewed beyond their current term. Taking all factors into consideration the trustees have concluded that the charity remains a going concern, and no material uncertainties exist.

Income

Membership subscriptions, donations and fundraising income are accounted for when received by the company.

Other income is accounted for on an accruals basis as far as is prudent to do so. Income included any income tax recoverable thereon. It is the charity's policy to show income before deduction of expenses except where otherwise stated.

Government Grants

Grants income received from the Department of Health, the London Borough of Harrow and others are detailed in notes 4 and 5. These are accounted for on a performance basis, unless they are related to a specific time period, when the grant is accounted for on an accrual basis.

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.

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.

COMMUNITY CONNEX LIMITED
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Notes to the Consolidated Financial Statements for the Year Ended 31 March 2023

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:

- Expenditure on charitable activities includes the costs of delivering services & other activities together with their associated support costs.

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

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, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated to expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 9.

Operating leases

The charity classifies lease agreements for premises and printing and other equipment as operating leases; the title to the equipment remains with the lessor and the equipment is replaced before the end of its economic life. Rental charges are charged on a straight-line basis over the term of the lease.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- Freehold buildings: Depreciated over 50 years, straight line method
- Other property, plant and equipment: 20% on cost
- No depreciation is provided on freehold land.

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.

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.

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.

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.

Goodwill

Goodwill purchased during the year is classified as an asset and amortised on a straight-line basis over its useful economic life, which is based on the financial forecast used to justify the acquisition, or written off against reserves

COMMUNITY CONNEX LIMITED
(A Company Limited by Guarantee)

Notes to the Consolidated Financial Statements for the Year Ended 31 March 2023

Pensions

Employees are automatically enrolled into a defined contributions pension scheme operated by The Peoples Pension. Employees can subsequently opt out. Employees joining the scheme, contract directly with the pension company. Pre-existing pension arrangements for the chief executive with St James' Place continue alongside The Peoples Pension, other staff arrangements with Clerical Medical and Aviva were transferred to the Peoples Pension.

The charity makes a matching contribution of 1% of qualifying earnings to this pension scheme and acts as agent in collecting and paying over employee pension contributions. The contributions made for the accounting period are treated as an expense and were £65,187 (2022: £59,000).

2. Legal status of the charity

Community Connex is a charitable private company limited by guarantee incorporated in England under the Companies Act 2006. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to promote care, treatment and education for children and adults with a learning disability and to secure provisions and services commensurate with their needs.

3. Key Judgement Areas

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Where income is received for specific projects that income is recognised when the project is delivered unless the income is specific to certain expenditure for example salary costs or purchase of equipment, in which case the income is recognised when the expenditure is incurred.

All financial instruments are basic instruments.

The key assumptions concerning the future and other key 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 financial year include:

Useful economic lives of fixed assets have been compared to past experience or in relation to buildings and significant components therein, on recommended life cycle replacement period.

Bad debt provisions are based on past experience for personal debtors while amounts receivable from local authorities and health authorities are regarded as recoverable in full unless a specific query has been lodged which is provided against in full.

COMMUNITY CONNEX LIMITED
(A Company Limited by Guarantee)

Notes to the Consolidated Financial Statements for the Year Ended 31 March 2023

4. Income from donations and legacies

| | Note | 2023 | | 2022 | |
|-----------------------------------|------|----------------|-----------------|----------------|-----------------|
| | | Group £'000 | Parent £'000 | Group £'000 | Parent £'000 |
| Gifts and donations | | 116 | 116 | 15 | 15 |
| Grants (see below) | A | 425 | 360 | 403 | 338 |
| Subscriptions | | 0 | 0 | 0 | 0 |
| Gift Aid donation from subsidiary | | 0 | 0 | 0 | 0 |
| | | 541 | 476 | 418 | 353 |
| <hr/> | | | | | |
| Grants receivable | A | | | | |
| - Restricted | | 109 | 44 | 287 | 222 |
| - Unrestricted | | 316 | 316 | 116 | 116 |
| | | 425 | 360 | 403 | 338 |

All income from donations and legacies was unrestricted (2022 - all unrestricted).

5. Income from charitable activities

| | 2023 | | 2022 | |
|--------------------------|----------------|-----------------|----------------|-----------------|
| | Group £'000 | Parent £'000 | Group £'000 | Parent £'000 |
| Contractual receipts: | | | | |
| Harrow CCG | 146 | 146 | 55 | 55 |
| Others: Home Care Agency | 518 | 518 | 588 | 588 |
| Day Opportunities | 864 | 864 | 749 | 749 |
| Children Service | 274 | 274 | 142 | 142 |
| Community Unit | 372 | 372 | 251 | 251 |
| Core Unit | 115 | 115 | 94 | 94 |
| All unrestricted | 2,289 | 2,289 | 1,879 | 1,879 |

6. Other Income

| | 2023 | | 2022 | |
|--------------------|----------------|-----------------|----------------|-----------------|
| | Group £'000 | Parent £'000 | Group £'000 | Parent £'000 |
| Fundraising events | 161 | 200 | 134 | 175 |
| Trips/Breaks | 0 | 0 | 0 | 0 |
| Transport | 0 | 0 | 0 | 0 |
| | 161 | 200 | 134 | 175 |
| Interest | 3 | 3 | 5 | 5 |
| All unrestricted | 164 | 203 | 139 | 180 |

Within Fundraising and events, the Fundraising Target was £50,000 (2022: £50,000).

COMMUNITY CONNEX LIMITED
(A Company Limited by Guarantee)

Notes to the Consolidated Financial Statements for the Year Ended 31 March 2023

7. Analysis of expenditure on charitable activities

| <u>Current year</u> | Note | Costs of generating funds £' 000 | Charitable activities £' 000 | Governance costs £' 000 | 2023 Total Group £' 000 | Parent £' 000 |
|----------------------------|------|---|------------------------------------|-------------------------------|----------------------------------|------------------|
| Staffing and related costs | | 67 | 2,087 | 0 | 2,154 | 2,154 |
| Office | | 0 | 192 | 0 | 192 | 187 |
| Loan interest | | 0 | 16 | 0 | 16 | 16 |
| Administration | | 0 | 76 | 0 | 76 | 69 |
| Other | | 14 | 292 | 0 | 306 | 293 |
| | | 81 | 2,663 | 0 | 2,744 | 2,719 |
| Governance | 9b | 0 | 0 | 7 | 7 | 7 |
| | | 81 | 2,663 | 7 | 2,751 | 2,726 |

Analysis between restricted and unrestricted expenditure:

| | | | | | |
|-----------------------------|-----------|--------------|----------|--------------|--------------|
| Restricted(Carers Advocacy) | 0 | 320 | 0 | 320 | 320 |
| Unrestricted | 81 | 2,343 | 7 | 2,431 | 2,406 |
| | 81 | 2,663 | 7 | 2,751 | 2,726 |

| <u>Prior year</u> | Note | Costs of generating funds £' 000 | Charitable activities £' 000 | Governance costs £' 000 | 2022 Total Group £' 000 | Parent £' 000 |
|----------------------------|------|---|------------------------------------|-------------------------------|----------------------------------|------------------|
| Staffing and related costs | | 61 | 1,766 | 0 | 1,827 | 1,827 |
| Office | | 0 | 188 | 0 | 188 | 183 |
| Loan interest | | 0 | 12 | 0 | 12 | 12 |
| Administration | | 0 | 103 | 0 | 103 | 97 |
| Other | | 8 | 370 | 0 | 378 | 363 |
| | | 69 | 2,439 | 0 | 2,508 | 2,482 |
| Governance | 9b | 0 | 0 | 9 | 9 | 7 |
| | | 69 | 2,439 | 9 | 2,517 | 2,489 |

Analysis between restricted and unrestricted expenditure:

| | | | | | |
|-----------------------------|-----------|--------------|----------|--------------|--------------|
| Restricted(Carers Advocacy) | 0 | 293 | 0 | 293 | 293 |
| Unrestricted | 69 | 2,146 | 9 | 2,224 | 2,196 |
| | 69 | 2,439 | 9 | 2,517 | 2,489 |

Expenditure on charitable activities was £2.663m (2022: £2.439m) of which £2.343m was unrestricted (2022: £2.146m) and £0.320m was restricted (2022: £0.293m).

COMMUNITY CONNEX LIMITED
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Notes to the Consolidated Financial Statements for the Year Ended 31 March 2023

8 a) Summary analysis of expenditure and related income for charitable activities

This table shows the cost of the three main charitable activities and the sources of income directly to support those activities.

| <u>Current year</u> | Access & advocacy services £' 000 | Care and Support £' 000 | Children & Young People others £' 000 | Total 2023 £' 000 | 2022 £' 000 |
|--------------------------------------|--|--|--|----------------------------------|------------------------|
| Personal budgets and direct payments | 646 | 664 | 864 | 2,174 | 2,084 |
| Direct grant support | 257 | 0 | 10 | 267 | 338 |
| Net income | 903 | 664 | 874 | 2,441 | 2,422 |

| <u>Prior year</u> | Access & advocacy services £' 000 | Care and Support £' 000 | Children & Young People others £' 000 | Total 2022 £' 000 | 2021 £' 000 |
|--------------------------------------|--|--|--|----------------------------------|------------------------|
| Personal budgets and direct payments | 531 | 592 | 962 | 2,085 | 2,108 |
| Direct grant support | 334 | 0 | 4 | 338 | 529 |
| Net income | 865 | 592 | 966 | 2,423 | 2,637 |

8 b) Summary analysis of expenditure for raising funds and governance

| <u>Current year</u> | Raising Funds £' 000 | Governance £' 000 | 2023 £' 000 | 2022 £' 000 |
|-----------------------------|-------------------------------------|------------------------------|------------------------|------------------------|
| Allocation of Support Costs | | | | |
| Staff costs | 67 | 0 | 67 | 61 |
| Other direct costs | 14 | 0 | 14 | 8 |
| Governance Costs | 0 | 7 | 7 | 9 |
| | 81 | 7 | 88 | 78 |

| <u>Prior year</u> | Raising Funds £' 000 | Governance £' 000 | 2022 £' 000 | 2021 £' 000 |
|-----------------------------|-------------------------------------|------------------------------|------------------------|------------------------|
| Allocation of Support Costs | | | | |
| Staff costs | 61 | 0 | 61 | 47 |
| Other direct costs | 8 | 0 | 8 | 2 |
| Governance costs | 0 | 9 | 9 | 6 |
| | 69 | 9 | 78 | 55 |

COMMUNITY CONNEX LIMITED
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Notes to the Consolidated Financial Statements for the Year Ended 31 March 2023

9a) Analysis of governance and support costs

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to governance. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the charitable activities undertaken (see Note 8) in the year.

Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

| <u>Current year</u> | General Support £' 000 | Governance £' 000 | Total £' 000 |
|------------------------------------|---------------------------------------|------------------------------|-------------------------|
| Salary, wages & related costs | 0 | 0 | 0 |
| General office costs | 192 | 0 | 192 |
| Audit fees & annual report | 0 | 7 | 7 |
| Finance, HR & Strategy consultancy | 0 | 0 | 0 |
| Legal | 0 | 0 | 0 |
| | 192 | 7 | 199 |

Basis of apportionment

Apportionment on an income basis except where limited by grant conditions or where specific cost allocations are identified.

| <u>Prior year</u> | General Support £' 000 | Governance £' 000 | Total £' 000 |
|------------------------------------|---------------------------------------|------------------------------|-------------------------|
| Salary, wages & related costs | 0 | 0 | 0 |
| General office costs | 188 | 0 | 188 |
| Audit fees & annual report | 0 | 9 | 9 |
| Finance, HR & Strategy consultancy | 0 | 0 | 0 |
| Legal | 0 | 0 | 0 |
| | 188 | 9 | 197 |

Basis of apportionment

Apportionment on an income basis except where limited by grant conditions or where specific cost allocations are identified.

9b) Governance costs

| | 2023 | | 2022 | |
|---|-------------------------|--------------------------|-------------------------|--------------------------|
| | Group £' 000 | Parent £' 000 | Group £' 000 | Parent £' 000 |
| Auditors' remuneration including expenses and benefits in kind: | | | | |
| - Audit Services (2022) | (1) | 0 | 9 | 7 |
| - Audit Services (2023) | 8 | 7 | 0 | 0 |
| | 7 | 7 | 9 | 7 |

In common with many entities of similar size and organisation, we use our auditors to assist with preparing the annual financial statements.

COMMUNITY CONNEX LIMITED
(A Company Limited by Guarantee)

Notes to the Consolidated Financial Statements for the Year Ended 31 March 2023

10. Net income/(expenditure) for the year

This is stated after charging:

| | 2023 | | 2022 | |
|--|---------------|---------------|---------------|---------------|
| | Group | Parent | Group | Parent |
| | £' 000 | £' 000 | £' 000 | £' 000 |
| Operating leases | 145 | 145 | 115 | 115 |
| Depreciation | 43 | 43 | 56 | 56 |
| Mortgage interest payable | 16 | 16 | 12 | 12 |
| Audit fees - Current Year | 7 | 7 | 8 | 7 |
| - Other services | 1 | 0 | 1 | 0 |
| Exceptional item: purchase of goodwill | 0 | 0 | 50 | 50 |
| | 212 | 211 | 242 | 240 |

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

| | 2023 | | 2022 | |
|-----------------------|---------------|---------------|---------------|---------------|
| | Group | Parent | Group | Parent |
| | £' 000 | £' 000 | £' 000 | £' 000 |
| Salaries and wages | 1,863 | 1,863 | 1,584 | 1,584 |
| Social security costs | 153 | 153 | 114 | 114 |
| Pension costs | 65 | 65 | 59 | 59 |
| | 2,081 | 2,081 | 1,757 | 1,757 |

Employees who had pay and benefits in excess of £60,000 (2022: 1) are detailed below. Pension costs are allocated to activities in proportion to the related staffing costs incurred.

| | | | | |
|-------------------------------|---|---|---|---|
| Between £60,000 and £70,000 | 1 | 1 | | |
| Between £90,000 and £100,000 | | | 1 | 1 |
| Between £100,000 and £110,000 | 1 | 1 | | |

The charity trustees were neither paid nor received any other benefits from employment with the charity or its subsidiary in the year (2022: £nil) neither were they reimbursed expenses during the year (2022: £nil).

The key management personnel of the charity comprise the trustees and the Chief Executive Officer and senior management team. The total employee benefits (including employer pension contribution but excluding employer national insurance) of the key management personnel of the charity were £223,624 (2022: £196,000).

COMMUNITY CONNEX LIMITED
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Notes to the Consolidated Financial Statements for the Year Ended 31 March 2023

12. Staff numbers

The average monthly head count was 114 staff (2022: 106 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

| | 2023 | | 2022 | |
|-------------------------------|---------------|---------------|---------------|---------------|
| | Group | Parent | Group | Parent |
| | Number | Number | Number | Number |
| Community care services | 88 | 88 | 70 | 70 |
| Management and administration | 26 | 26 | 36 | 36 |
| | 114 | 114 | 106 | 106 |
| Full time equivalent | 82 | 82 | 76 | 76 |

13. Corporate taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

14. Tangible fixed assets

Group and Parent Company

| | Freehold Land £'000 | Freehold Buildings (Property) £'000 | Computer & IT £'000 | Fixtures & Fittings £'000 | Motor Vehicles £'000 | Total £'000 |
|-------------------------------|------------------------------------|--|--|--|-------------------------------------|------------------------|
| Cost | | | | | | |
| Balance as at 1.4.22 | 255 | 616 | 271 | 246 | 115 | 1,503 |
| Additions | 0 | 0 | 1 | 0 | 0 | 1 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance as at 31.3.23 | 255 | 616 | 272 | 246 | 115 | 1,504 |
| Depreciation | | | | | | |
| Balance as at 1.4.22 | 0 | 254 | 230 | 224 | 109 | 817 |
| Charged for year | 0 | 10 | 19 | 11 | 3 | 43 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance as at 31.3.23 | 0 | 264 | 249 | 235 | 112 | 860 |
| Net book value 31.3.23 | | | | | | |
| Group | 255 | 352 | 23 | 11 | 3 | 644 |
| Parent | 255 | 352 | 22 | 11 | 3 | 643 |
| Net book value 31.3.22 | 255 | 362 | 41 | 22 | 6 | 686 |

The freehold office at 3 Jardine House is pledged as security for a long-term loan from Charity Bank.

Investments in subsidiary companies are detailed in Note 27.

COMMUNITY CONNEX LIMITED
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Notes to the Consolidated Financial Statements for the Year Ended 31 March 2023

15. Debtors

| Amounts falling due within one year | 2023 | | 2022 | |
|-------------------------------------|----------------|-----------------|----------------|-----------------|
| | Group £'000 | Parent £'000 | Group £'000 | Parent £'000 |
| Trade debtors | 360 | 359 | 476 | 476 |
| Bad debt Provision | (13) | (13) | (27) | (27) |
| Amount owed by group undertaking | 0 | 26 | 0 | 10 |
| Prepayments and accrued income | 28 | 28 | 21 | 21 |
| Other Debtors | 4 | 4 | 1 | 1 |
| Legacy | 0 | 0 | | |
| | 379 | 403 | 471 | 481 |

16. Creditors

| Amounts falling due within one year | 2023 | | 2022 | |
|-------------------------------------|----------------|-----------------|----------------|-----------------|
| | Group £'000 | Parent £'000 | Group £'000 | Parent £'000 |
| Loan due within one year | 16 | 16 | 16 | 16 |
| Trade and other creditors | 57 | 55 | 56 | 46 |
| Amount owed to group undertaking | 0 | 0 | 0 | 0 |
| Accruals and deferred income | 108 | 107 | 145 | 142 |
| Pension contributions | 9 | 9 | 7 | 7 |
| Tax and social security | 34 | 35 | 31 | 31 |
| Other creditors | 4 | 4 | 36 | 36 |
| | 227 | 226 | 291 | 278 |

17. Deferred income

Deferred income comprises amounts received from grant and funding bodies that relate to income awarded relating to the following financial year.

| | 2023 | | 2022 | |
|---|----------------|-----------------|----------------|-----------------|
| | Group £'000 | Parent £'000 | Group £'000 | Parent £'000 |
| Balance at 1.4.22 | 57 | 57 | 30 | 30 |
| Amount released to income earned from charitable activities | (57) | (57) | (30) | (30) |
| Amount deferred in year | 30 | 30 | 57 | 57 |
| | 30 | 30 | 57 | 57 |

COMMUNITY CONNEX LIMITED
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Notes to the Consolidated Financial Statements for the Year Ended 31 March 2023

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

| | 2023 | | 2022 | |
|----------------------------------|----------------|-----------------|----------------|-----------------|
| | Group £'000 | Parent £'000 | Group £'000 | Parent £'000 |
| Bank loans | 251 | 251 | 269 | 269 |
| Total secured liabilities | 266 | 266 | 285 | 285 |

19. Analysis of Charitable funds

19a) Analysis of movements in Unrestricted funds:

| <u>Current year</u> | Balance | Incoming | Resources | Transfers | Investment | Funds |
|----------------------------|--------------|--------------|----------------|--------------|-------------|--------------|
| | 1.4.22 | Resources | Expended | to/from | gain/(loss) | 31.3.23 |
| | | | | funds | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Parent company | | | | | | |
| General fund | 569 | 2,859 | (2,406) | (170) | 0 | 852 |
| Designated funds: | | | | | | |
| Freehold land/property | 332 | 0 | 0 | 9 | 0 | 341 |
| Research & Development | 30 | 0 | 0 | 0 | 0 | 30 |
| Asset Replacement | 52 | 0 | 0 | 0 | 0 | 52 |
| Operating Reserve | 525 | 0 | 0 | 0 | 0 | 525 |
| Stakeholder engagement | 25 | 0 | 0 | 0 | 0 | 25 |
| Lease reserve | 90 | 0 | 0 | 0 | 0 | 90 |
| Software Development | 75 | 0 | 0 | 0 | 0 | 75 |
| | 1,129 | 0 | 0 | 9 | 0 | 1,138 |
| Other group company | 9 | 26 | (25) | | | 10 |
| | 1,707 | 2,885 | (2,431) | (161) | 0 | 2,000 |

The designated funds are being released over the term of the lease, loan and useful economic life of the asset.

COMMUNITY CONNEX LIMITED
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Notes to the Consolidated Financial Statements for the Year Ended 31 March 2023

19a) Analysis of movements in Unrestricted funds (continued):

| <u>Prior year</u> | Balance | Incoming | Resources | Transfers | Investment | Funds |
|----------------------------|--------------|--------------|----------------|-----------|-------------|--------------|
| | 1.4.21 | Resources | Expended | to/from | gain/(loss) | 31.3.22 |
| | | | | funds | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Parent company | | | | | | |
| General fund | 650 | 2,125 | (2,197) | (9) | 0 | 569 |
| Designated funds: | | | | | | |
| Freehold land/property | 323 | 0 | 0 | 9 | 0 | 332 |
| Research & Development | 30 | 0 | 0 | 0 | 0 | 30 |
| Asset Replacement | 52 | 0 | 0 | 0 | 0 | 52 |
| Operating Reserve | 525 | 0 | 0 | 0 | 0 | 525 |
| Stakeholder engagement | 25 | 0 | 0 | 0 | 0 | 25 |
| Lease reserve | 90 | 0 | 0 | 0 | 0 | 90 |
| Software Development | 75 | 0 | 0 | 0 | 0 | 75 |
| | 1,120 | 0 | 0 | 9 | 0 | 1,129 |
| Other group company | 12 | 24 | (27) | 0 | 0 | 9 |
| | 1,782 | 2,149 | (2,224) | 0 | 0 | 1,707 |

Funds Definitions

| Name of designated fund | Description, nature and purposes of the fund: |
|--------------------------------|---|
| Freehold premises | This fund represents the charity's net investment in freehold offices at 3 Jardine House, after taking account of outstanding borrowings, which is therefore not available to fund charitable activities. |
| Research and development fund | This fund represents amounts designated to research opportunities to further the charity's objects. |
| Asset replacement fund | This fund represents amounts designated to replace equipment and IT across the charity. |
| Operating reserve fund | This fund represents amounts designated to support operating cash flow in the event of changes in funding. |
| Stakeholder engagement fund | This fund represents amounts designated to further engage with our stakeholders in meeting the charity's objects. |
| Lease reserve fund | This fund represents the unexpired lease commitment in respect of the Pinner Green centre. |
| Software development fund | This fund represents amounts designated to fund software development to improve operating efficiencies, compliance with care quality standards and maintaining client privacy. |

COMMUNITY CONNEX LIMITED
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Notes to the Consolidated Financial Statements for the Year Ended 31 March 2023

19b) Analysis of movements in Restricted funds:

| <u>Current year</u> | Balance | Incoming | Resources | Transfers | Investment | Funds |
|---------------------------------|----------------|------------------|------------------|-------------------|--------------------|----------------|
| | 1.4.22 | Resources | Expended | to/from | gain/(loss) | 31.3.23 |
| | | | | restricted | | |
| | £'000 | £'000 | £'000 | funds | £'000 | £'000 |
| | | | | £'000 | | |
| Restricted income fund | 50 | 109 | (320) | 161 | 0 | 0 |
| Other: arising on consolidation | 28 | | | | | 28 |
| Restricted funds | 78 | 109 | (320) | 161 | 0 | 28 |
| Unrestricted funds: | | | | | | |
| General reserve | 1,707 | 2,885 | (2,431) | (161) | 0 | 2,000 |
| | 1,785 | 2,994 | (2,751) | 0 | 0 | 2,028 |

| <u>Prior year</u> | Balance | Incoming | Resources | Transfers | Investment | Funds |
|---------------------------------|----------------|------------------|------------------|-------------------|--------------------|----------------|
| | 1.4.21 | Resources | Expended | to/from | gain/(loss) | 31.3.22 |
| | | | | restricted | | |
| | £'000 | £'000 | £'000 | funds | £'000 | £'000 |
| | | | | £'000 | | |
| Restricted income fund | 56 | 287 | (293) | 0 | 0 | 50 |
| Other: arising on consolidation | 32 | | | (4) | 0 | 28 |
| Restricted funds | 88 | 287 | (293) | (4) | 0 | 78 |
| Unrestricted funds: | | | | | | |
| General reserve | 1,782 | 2,149 | (2,224) | 0 | 0 | 1,707 |
| | 1,870 | 2,436 | (2,517) | (4) | 0 | 1,785 |

COMMUNITY CONNEX LIMITED
(A Company Limited by Guarantee)

Notes to the Consolidated Financial Statements for the Year Ended 31 March 2023

20. Analysis of Group Net Assets between funds

| <u>Current year</u> | Unrestricted funds £'000 | Unrestricted Designated funds £'000 | Restricted funds £'000 | Total 2023 £'000 |
|--|---|--|---------------------------------------|---------------------------------|
| Tangible fixed assets | 228 | 416 | 0 | 644 |
| Cash at bank and in hand | 734 | 722 | 28 | 1,483 |
| Other net current assets/(liabilities) | 151 | 0 | 0 | 151 |
| Creditors of more than one year | (251) | 0 | 0 | (251) |
| Net Assets | 862 | 1,138 | 28 | 2,028 |

| <u>Prior year</u> | Unrestricted funds £'000 | Unrestricted Designated funds £'000 | Restricted funds £'000 | Total 2022 £'000 |
|--|---|--|---------------------------------------|---------------------------------|
| Tangible fixed assets | 279 | 407 | 0 | 686 |
| Cash at bank and in hand | 388 | 722 | 78 | 1,188 |
| Other net current assets/(liabilities) | 180 | 0 | 0 | 180 |
| Creditors of more than one year | (269) | 0 | 0 | (269) |
| Net Assets | 578 | 1,129 | 78 | 1,785 |

21. Financial Instruments

Financial instruments measured at amortised cost comprise the mortgage provided by Charity Bank Limited to the charity secured on the freehold land and buildings at 3 Jardine House, Harrobian Business Village, Bessborough Road, Harrow, HA1 3EX which had a carrying value at 31 March 2023 of £607,079. The initial mortgage of £450,000 is repayable over 25 years. The interest rate is 9.0%.

| | 2023 | | 2022 | |
|--|------------------------|-------------------------|------------------------|-------------------------|
| | Group £'000 | Parent £'000 | Group £'000 | Parent £'000 |
| Mortgage repayable - less than 1 year | 16 | 16 | 16 | 16 |
| Mortgage repayable - within 1 to 2 years | 18 | 18 | 18 | 18 |
| Mortgage repayable - within 2 to 5 years | 59 | 59 | 59 | 59 |
| Mortgage repayable in over 5 years | 174 | 174 | 192 | 192 |
| | 266 | 266 | 285 | 285 |

COMMUNITY CONNEX LIMITED
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Notes to the Consolidated Financial Statements for the Year Ended 31 March 2023

21. Financial Instruments (cont.)

Financial Assets

| | 2023 | | 2022 | |
|--|--------------|---------------|--------------|---------------|
| | Group | Parent | Group | Parent |
| | £'000 | £'000 | £'000 | £'000 |
| Financial assets measured at amortised cost | | | | |
| Trade debtors | 347 | 346 | 449 | 449 |
| Other debtors | 32 | 58 | 22 | 32 |
| Cash and cash equivalents | 1,484 | 1,420 | 1,188 | 1,128 |
| Total financial assets | 1,863 | 1,824 | 1,659 | 1,609 |

Financial Liabilities

| | 2023 | | 2022 | |
|---|--------------|---------------|--------------|---------------|
| | Group | Parent | Group | Parent |
| | £'000 | £'000 | £'000 | £'000 |
| Financial liabilities measured at amortised cost | | | | |
| Trade creditors | 57 | 55 | 56 | 46 |
| Other creditors | 155 | 155 | 219 | 216 |
| Mortgage payable | 267 | 267 | 285 | 285 |
| Total financial liabilities | 479 | 477 | 560 | 547 |

22. Operating leases

| | 2023 | | 2022 | |
|----------------------------------|--------------|---------------|--------------|---------------|
| | Group | Parent | Group | Parent |
| | £'000 | £'000 | £'000 | £'000 |
| Land and buildings which expire: | | | | |
| Within one year | 51 | 51 | 59 | 59 |
| Between 1 and 2 years | 51 | 51 | 28 | 28 |
| Between 2 and 5 years | 41 | 41 | 29 | 29 |
| More than 5 years | 0 | 0 | 0 | 0 |
| | 143 | 143 | 116 | 116 |
| Other Equipment which expire: | | | | |
| Within one year | 42 | 42 | 55 | 55 |
| Between 1 and 2 years | 30 | 30 | 33 | 33 |
| Between 2 and 5 years | 18 | 18 | 34 | 34 |
| More than 5 years | 0 | 0 | 0 | 0 |
| | 90 | 90 | 122 | 122 |

The totals above represent the total future minimum lease payments under non-cancellable operating leases.

COMMUNITY CONNEX LIMITED
(A Company Limited by Guarantee)

Notes to the Consolidated Financial Statements for the Year Ended 31 March 2023

23. Capital Commitments

| | 2023 £'000 | 2022 £'000 |
|--|-----------------------------|-----------------------------|
| Capital expenditure that has been contracted for but has not been provided for in the financial statements | 0 | 0 |
| Capital expenditure that has been authorised by the Board but has not yet been contracted for | 0 | 0 |

24. Related Party Transactions

Avis Robinson is the controlling director of KCL Communications Limited (KCL) a PR and communications agency and also a trustee of Community Connex. Community Connex has an arrangement with KCL to provide her with desk space at 3 Jardine House in exchange for public relations and communications services. KCL pays for incidental services such as telephone, use of the photocopier and printer. From Community Connex's perspective the desk space is surplus to requirements so there is no cost associated with providing it, and the benefit of "free" press release drafting etc far outweighs the cost of providing the desk space.

David House and Anthony Robinson (Avis Robinson's spouse) are employed by Community Connex in client facing roles and paid in line with other employees. No remuneration is paid for work done in discharging trustee responsibilities.

25. Ultimate controlling party

The charity is controlled by its trustees meeting together.

26. Subsequent events

The trustees were not aware of any other post balance sheet events at the date of approval of the financial statements and accordingly there are no related provisions.

COMMUNITY CONNEX LIMITED
(A Company Limited by Guarantee)

Notes to the Consolidated Financial Statements for the Year Ended 31 March 2023

27. Investments in subsidiary companies

| Name | Type | Control |
|---|----------------------|--|
| Enterprise Wellness Limited (Company Registration Number: 01689903) | Limited by guarantee | Exercised by appointment of directors |

| Year ended 31 March 2023: | | | |
|----------------------------------|--------------|----------------------------------|--------------|
| Balance Sheet | | Profit & Loss Account | |
| | £'000 | | £'000 |
| Assets | 66 | Turnover | 70 |
| Liabilities | (29) | Expenditure | (69) |
| Net assets | 38 | | |
| | | | |
| Shareholders Funds | 38 | Profit for the Year | 1 |
| | | | |
| Year ended 31 March 2022: | | | |
| Balance Sheet | | Profit & Loss Account | |
| | £'000 | | £'000 |
| Assets | 60 | Turnover | 65 |
| Liabilities | (23) | Expenditure | (68) |
| Net assets | 37 | | |
| | | | |
| Shareholders Funds | 37 | Loss for the Year | (3) |
| | | | |

Financial Statements - Year Ended 31-03-2023









Final for signing V1-1

Final Audit Report

2023-11-09

| | |
|-----------------|--|
| Created: | 2023-11-09 |
| By: | James Lambden (james.lambden@hotmail.co.uk) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAAHBvNBBYUYzIjJjEaRplIbUBNPQp_tbt6 |

"Financial Statements - Year Ended 31-03-2023 Final for signing V1-1" History

-  Document created by James Lambden (james.lambden@hotmail.co.uk)
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