THE LINKAGE COMMUNITY TRUST LIMITED

England & Wales · Charity number 504913

Details

Other names	LINKAGE
Status	Registered
Legal form	Charitable company
Company number	01240377
Registered	1976-12-09
Register	View on the Charity Commission register

Contact

Address	Linkage Community Trust Toynton Hall Main Road Toynton All Saints Spilsby PE23 5AE
Phone	01790755073
Email	info@linkage.org.uk
Website	www.linkage.org.uk

Activities

Objects: To assist by such means as are charitable any persons who are vulnerable or disadvantaged whether by reason of learning or other disability or difficulty or otherwise through the provision of services to support them, and to enable them to develop their potential for learning, self-determination, independent living and employment, and to maintain and improve their quality of life.

Activities: The Trust delivers general education to advance the social development of learning disabled people developing the skills necessary to enable them to qualify for useful and gainful occupation.Linkage provides education,develops employment opportunities through its cafes & adult skills provision and provides personalised support through its residential, respite and community support provision.

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Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** Education/training, Disability, Accommodation/housing, Economic/community Development/employment
- **Who:** Children/young People, People With Disabilities

Geography

- East Riding Of Yorkshire
- Lincolnshire
- North East Lincolnshire
- North Lincolnshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£21,685,714	£21,019,512	£19,952,068	682
2023-08-31	£19,499,581	£18,802,402	£23,727,610	616
2022-08-31	£17,193,885	£16,511,201	£23,158,252	591
2021-08-31	£15,625,506	£15,003,902	£21,957,471	587
2020-08-31	£15,000,489	£14,718,858	£20,061,430	593

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Trustees

Name	Role	Appointed
Adam Cook		2024-08-08
Dr Paul Hamalainen		2025-07-25
Emma Campbell		2024-08-01
KEITH BATTY		2019-10-30
Kathleen Truscott		2025-03-25
Professor Jayne Mitchell		2025-11-27
Rachel Zobkiw		2024-08-14
Simon Hatchman		2018-10-31
Stephanie Simpson		2017-03-29
Tracy Newton-Blows		2024-11-07

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THE LINKAGE COMMUNITY TRUST LIMITED

England & Wales - Charity number 504913

Accounts

Registered number: 01240377
Charity number: 504913

LINKAGE COMMUNITY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

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LINKAGE COMMUNITY TRUST

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2024

Trustees	Mr K J Batty Mrs T U Boyes (appointed 6 September 2023, resigned 12 April 2024) Mrs E Campbell (appointed 1 August 2024) Mr A Cook (appointed 8 August 2024) Mr S J Hatchman Dr L M Lofts (appointed 9 November 2023, resigned 16 July 2024) Mrs T A Newton-Blows (appointed 7 November 2024) Mrs S M Simpson Mr M A Smith (resigned 30 December 2024) Mr E J Steabler (resigned 5 February 2024) Mrs S Wood Mrs Rachel Zobkiw (appointed 14 August 2024)
Company Registered Number	01240377
Charity Registered Number	504913
Registered Office	Toynton Hall Main Road Toynton All Saints Spilsby Lincolnshire PE23 5AE
Independent Auditors	Streets Audit LLP Chartered Accountants & Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW
Bankers	Lloyds Bank plc High Street Lincoln LN5 7AP
Solicitors	Bridge McFarland LLP 9 Cornmarket Louth Lincolnshire LN11 9PY
Investment Advisers	jch: investment management limited 1 Henley Way Doddington Road Lincoln LN6 3QR

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

CHAIR'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The Chair presents their statement for the year.

The year 2023/24 saw Linkage Community Trust develop its new Corporate Strategy 'Nothing About You Without You 2023-28' alongside its ongoing commitment to providing individuals with learning disabilities, autism or both, quality education, care and support in enabling them to achieve further independence. The Trust remains focused on its vision that people with learning disabilities, autism or both have opportunities and choice and are supported to achieve their aspirations and its mission to provide person-centred services that enable individuals to develop the skills and behaviours to live independent lives.

In a challenging environment, Linkage remains in a sound financial position and achieved a successful financial result in the period, thanks to continued control of costs and efficiency gains.

The Trust's Residential Care provision serves 160 individuals. A further 107 individuals, supported through the Community Support Service, live in the community in either their own properties or through Linkage's own partnership with Platform Housing and Local Housing Associations.

In our Lifelong Learning Directorate, our College saw the number of places grow to 221, and our Linkage Choices day service continues to thrive. It offered a growing range of opportunities, with over 680 days' activities offered per week. We relocated our Linkage Choice day service in Lincoln to Weaver Road, offering further facilities and opportunities to the people we support. We also further developed our Linkage Choices provision in East Riding.

The Trust's five-year Digitalisation Plan, launched in 2019, continued at pace and during the year we introduced a digital care planning system called Nourish, a new finance system, a payroll system and continued to improve our reporting through our business intelligence platform via the use of Power Bi. We have continued to deliver efficiency through the deployment of our staff through the electronic time and attendance and rota system Planday, removing administrative burden from Managers and staff and helping us to deploy resources most effectively.

Following the successful bid to the National Lottery Heritage Fund for the £503k development stage of a new project for a sustainable and inclusive future for the Weelsby Hall Estate, we carried out emergency roof repairs. In addition, we successfully appointed a team to develop our plans further and achieved planning permission for the next stage of the project. A subsequent application was made to the National Lottery Heritage Fund for £3.5 million which was successfully awarded in September 2024. This together with over £1.5 million of match funding will enable us to develop the Hall into a training facility, sensory integration centre and repurpose the courtyard into care provision for those with more complex behaviours and needs.

A key focus of the year was on fundraising, with a number of significant awards being received including £165,000 for a new sensory outreach vehicle enabling us to take our services and reach out to those who need us most, £250,000 of match funding towards our Weelsby Hall Heritage Fund Project and £225,000 of funding from the LCC Innovation Fund, towards improved recruitment and retention across the trust.

Throughout the year we have also worked with the Blueberry Academy to look at how we could work together to expand the services Linkage offer across the Yorkshire region and am delighted to report that they joined our Group shortly after year end in October 2024.

Very sadly, our dedicated Chair, Mark Smith, unexpectedly passed away in December 2024. Mark was a highly valued Trustee and was appointed as Chair in May 2021. Like all our Trustees, he was extremely generous with his time on a voluntary basis. His enthusiastic support and passion for Linkage will be greatly missed.

Finally, I must pay tribute to the skills and dedication of staff, in especially trying times, who have cared for those we support and have made all of Linkage's achievements possible in the past year.

Mrs S M Simpson
Chair
Date: 25 March 2025

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees present their annual report together with the audited financial statements of the Trust for the year 1 September 2023 to 31 August 2024. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and republic of Ireland (FRS 102).

STRUCTURE

The Trust is both a company limited by guarantee as defined by the Companies Act 2006 and a registered charity. Its governing document is the Articles of Association adopted on 1 May 2019.

OBJECTIVES AND ACTIVITIES

Aims and Objectives

The objects of the Trust are set out in the Articles of Association. More specifically, the Trust provides specialist further education, residential care and community support, adult skills and a range of employment services which, taken together, are intended to enable people with learning difficulties and other disabilities to realise their full potential and achieve independence. There has been no substantive change in the charitable objects during the period under review.

Significant Activities

During the year, the Trust operated:

- college campuses in Toynton, Grimsby, Lincoln and Beverley in the East Riding; and
- residential and day care services based in Toynton, Scremby, Skegness, Louth, Grimsby, Alford, Lincoln and Mablethorpe.

It also operated from more than 30 'satellites' (residential care homes, student residences, workshops, cafes etc) situated in East Lindsey, North East Lincolnshire and the City of Lincoln.

Related Parties

Linkage Trading Limited is a company limited by guarantee established to provide a vehicle for the conduct of commercial activities that support, promote or otherwise enhance the aims and objectives of the Trust.

Linkage Trading Limited is governed by its own board of directors, although by deed of covenant dated 30 March 2001, the whole of the annual surplus of Linkage Trading Limited, if any, is to be paid to the Trust. An option deed dated 30 March 2001 exists whereby at any time Linkage Community Trust has the right to acquire the assets and undertakings of Linkage Trading Limited.

Strategic Focus

Our strategy "Nothing about you without you" was launched in 2023 and outlines how we will achieve our vision that people with learning disabilities, autism or both have opportunities and choice and are supported to achieve their aspirations. It seeks to build on our achievements whilst also making the most of new opportunities and learnings. Throughout our 2023-28 strategy period we will continue to work across greater Lincolnshire and East Riding to achieve our vision by delivering person centred services that enable individuals to develop the skills and behaviours to live independent lives. Our main priorities throughout 2023-28 are:

Impact – Increase the impact that our services have on the people we support.
Capacity – Increase capacity to deliver high-quality services.
Sustainability – Ensure the long-term sustainability by securing the support we need to keep us strong, and taking steps to ensure our environments, activities and organisation are fit for the future.
Growth – Grow the charity to increase the number of people who access our services.

The plan sets out the Trust vision:

'People with learning difficulties and disabilities have opportunities and choice and are supported to achieve their aspirations'.

The Trust's mission:

'To provide person centred services that enable individuals to develop skills and behaviours to live independent lives.'

The Trust will do this by developing a culture that embeds a "nothing about you without you" approach to shaping services and models of delivery with input from the people it supports.

We will continue to hold ourselves accountable for our progress in achieving our full priorities through internal monitoring and quarterly reporting to our Board of Trustees, as well as through the publication of an annual report.

ACHIEVEMENTS AND PERFORMANCE

The following pages highlight some of our major achievements and challenges during 2023/24. In developing our strategy and accompanying activity plans and in producing the annual report and accounts the trustees have given due consideration to the Charity Commissions for England and Wales published guidelines on the public benefit requirement under the Charities Act 2011 as well as the work carried out by Linkage is consistent with the charitable purposes as identified in the Charities Act 2011.

Impact

What we said we would do

We want to help people reach their own potential and be able to live the best lives possible. To do this we will:

- develop a culture that embeds a "nothing about you without you" approach across all our services. improve the consistency of our practices to ensure all teaching is effective, that learning outcomes are the best they can be and that active support enabling individuals to achieve their aspirations.
- improve the health and wellbeing of the people we support and our colleagues.
- become a learning organisation.
- increase the opportunities for accessing purposeful activities and employment.
- build effective partnerships.

What we did this year

In 2023/24 Linkage staff delivered over 400,000 hours of support to people living in our residential care, supported living and community services and successfully transitioned seven people we support from an alternative provider in July 2024.

We expanded our lifelong learning provision offering 221 places to young people in our education provision and provided over 680 days of support to people attending our day opportunities.

We developed our systems and processes utilising Power Bi to inform our quality and practice processes with real time information for learning outcomes. This enabled us to provide assurance of consistent compliance with regulatory requirements, to understand issues before they become problems and to proactively develop as an organisation through shared learning.

We introduced a new continuous improvement planning process across all services.

We continued the role out of Nourish, our digital care solution, providing colleagues with up-to-date information in relation to individuals that are supported including changes of needs.

We completed a revised education data dashboard for Trustees incorporating the feedback received from Ofsted in June 2023.

We completed a review of our Planday rostering system usage in preparation for the implementation of an agile working system simplifying coding structures and retraining managers.

Our new clinical team established a clear referral pathway that allows for prompt support to services. We rolled out our positive behaviours support training and active support training across our services to deliver the best outcomes for individuals. We improved the outcomes for people who use our services, have increased workforce knowledge and resilience and improved responses to escalations of behaviours of concern reducing risk and placement breakdown.

We developed our people with lived experience to work alongside our quality team to inspect and undertake audits of our services. We have utilised feedback received from complaints and from parent carer forums to shape and lead activities in Linkage Choices.

We have continued to make effective partnerships with our core strategic partners Lincolnshire, North East Lincolnshire and East Riding and have been working closely with the North East Lincolnshire ICB to share opportunities and good practice.

We became Marks & Spencer's Grimsby's Charity Partner of the Year gaining their support to raise awareness of our Weelsby Hall Project and creating opportunities for people with learning disabilities, autism or both to raise valuable funds for the charity.

Capacity

What we said we would do

We want to be recognised as a great place to work with opportunities for colleagues to learn and grow and develop to meet the changing needs of the people who use our services. To do this we will:

- recruit more people from a diverse range of communities and give them the best support so that they stay with us longer and we all work together effectively as one Linkage team.
- develop a highly skilled agile and flexible work force with a focus on lifelong learning.
- deploy our resources using a hub and spokes model to enable more efficient rota planning, aligned to efficient models for different types and complexities of services using leaner and improved systems and processes.
- utilise volunteers, dedication, passion, enthusiasm, experience and desire to make a difference to increase the scale and scope of what we do.

What we did this year

We recruited and developed over 163 members of staff. Our comprehensive induction and training process enabled 32% of applicable new staff to complete the Care Certificate and their level 2 qualification 4% working towards the award. We have successfully increased the diversity of our workforce and increased the number of male staff who provide front line support from 20.93% in 2022 to 22.58% in 2023.

We have further developed the current induction processes to not only ensure that new employees are able to settle and become effective team members within three months of joining but they have received competence based assessment prior to probation sign off.

We have utilised digital compliance dashboards ensuring all staff attend a blend of e-learning and face to face training increasing attendance and creating trackable KPI's. 97% of all staff have achieved mandatory training, up from 72% in 2023/24

We have further developed our proposal for the development of Weelsby Hall to become a commercial training centre.

We further developed our starter leaver process to create financial controls around new posts developed.

We introduced a new payroll system Staffology to enable us the capacity and the flexibility to undertake a second scheme in the year.

We developed an agile working project consulting with staff regarding their pay periods, aligning these to rota patterns, increasing mobility and establishing clear links between commissioned hours and deployment to improve our financial viability.

We have established a risk and establishment process where we align commissioned support hours and staff availability across each area to enable us to target recruitment and retention activities where it is needed most.

Through grant funding of £222,000 from Lincolnshire County Council Home Care Innovation fund to support an increase in capacity staff retention and recruitment, reduction in the use of agency staff and a variety of workforce related initiatives, we executed a recruitment campaign aimed at attracting and retaining dedicated support workers in the Alford/Louth/Mablethorpe/Lincoln areas to deliver additional CSL services in the community. We also introduced a golden handshake programme, a recruitment campaign leveraging the use of our sensory bus and Linkage ambassadors, individuals we support. We have increased the percentage of commissioned hours delivered by over 5% in both Residential Care and in Community Supported Living services.

Our Friends of Weelsby Hall Group have grown and their work focusing on history and fundraising for our Weelsby Hall Project continued with great dedication, passion and enthusiasm. Our volunteers hosted the National Lottery Heritage Day and provided guided tours to the estate with over 400 people attending.

We have continued to utilise work experience opportunities from local universities, higher education institutes and schools including Bishop Grosseteste University, The University of Lincoln, and East Riding College and has successfully based on their positive experience recruited individuals upon graduation into the Linkage workforce.

What we were not able to achieve

Linkage were unable to deliver some of its planned activities for 2023/24 due to limited capacity. We had to prioritise projects throughout the year to ensure that we are best meeting the needs of the people who use our service.

The development of a workforce plan that addressed both future and current needs was planned for this year but was again delayed.

Our project to review our policies and refresh and align them was not fully completed in the year and this project rolled over to the next financial year.

Sustainability

What we said we would do

We are working to ensure our long-term sustainability by securing the support we need to keep us strong and taking steps to ensure our environments, activities and organisation are fit for the future. We want to:

- be a financially strong charity, able to reinvest in our services and to create environments where people with learning disabilities, autism or both can flourish.
- diversify and strengthen our income streams by continuing to ensure the statutory entitlement for people and all our costs are covered through our fees.
- increase the efficiency of systems and processes, investing in digital systems solutions and processes to enable colleagues more active support through investment and technology systems and work flows to support the leaner processes.
- enhance our environments so they are energy efficient and fit for purpose.

What we did this year

We have continued to diversify and strengthen our income streams with new grant and trust funding streams established. Our key project of developing an inclusive and sustainable future for the transformation of the Weelsby Hall Estate has resulted in us gaining a number of new grant and trust funding streams including from the National Lottery Heritage Fund, The Pilgrim Trust, Historic House Foundation, Local Authority UKSPF funding.

We invested in strengthening our Fundraising Team and 2023/24 saw Linkage successfully achieve over £1 million of restricted funding aimed at key development projects including The Weelsby Hall Project, A Rapid Response Pilot Programme with Lincolnshire County Council and Outreach services and other key project areas.

We accessed new funding streams such as access to work funding and increased our financial sustainability by ensuring that all people who are statutory entitled to care receive appropriate funding from local authorities.

We have continued to enhance our environments and invested heavily in the Oliver Care Home in Lincoln which is due for opening in Spring 2025.

We have continued to invest in digital systems and solutions. We introduced electronic signing in at all campuses across Linkage. We updated our Planday online rostering system to enable us to rota staff in an agile way, increasing the confidence in the accuracy of data in systems.

We successfully achieved planning permission for the redevelopment of the Weelsby Hall Estate for turning the Oasis Estates Building into a Volunteer Hub and for the development of a new Small Animal Care Centre during 2025. At Mablethorpe we were successful in achieving planning permission for the re-modelling of the Bowling Green, Mablethorpe as a training centre.

What we were not able to achieve

Linkage was unable to deliver some of its planned activities for 2023/24 due to limited capacity. We had to prioritise projects throughout the year to ensure that we are best meeting the needs of the people who use our service.

We undertook a review of our key properties and had acquired an EPC rating for each of these properties. Unfortunately resourcing resulted in the action plan to address the energy efficiencies has not been actioned in the year.

Growth

What we said we would do

We want to grow the charity and increase the number of people who access our services. Growth is important to us as a charity as it enables us to do more for more people. It builds up scale and when commercially viable it protects our long-term sustainability. We want to grow our services so that we can deliver more things for more people and be the 'go to' provider for young people and young adults, families and commissioners in our operating areas across Lincolnshire, East Riding, and our neighbouring counties. We will:

- build our reputation supporting people with learning disabilities and autism to lead more independent lives across all the communities in which we work.
- reach out to families and schools to take our services where and when people need them. expand opportunities and choice by providing more support to day opportunities, education and employment services in more locations so that more people can access them.
- expand long-term living opportunities, either directly or through partners we will provide accommodation to enable people to live their lives as they want.
- develop more services for young people.
- increase our offer to 16-17 year olds providing residential education and accommodation for those transitioning to adulthood and enabling those out of area to move back to their community.

What we did this year

We have continued to build our reputation being short listed for a number of Awards including the LINCA Registered Manager of the Year, the Chairty Times Digital Transformation, Property Innovation and Supporting Leader of the Year.

As a provider of choice for the local authority we have been working together on joint projects that will see additional provision being made available.

We received £167,000 of Community Lottery funding for our new Sensory Bus.

We have continued to grow our services with additional day opportunities being made available at Lincoln through our new Linkage Choice facilities in Weaver Road and throughout East Riding activities and we have seen an increase in the number of college day students with increasing levels of complexity.

We have expanded the number of long-term living opportunities with work commencing on the Oliver House residential service which is planned to open in early 2025 to increase our capacity in the Lincoln area and we have developed plans and achieved planning permission for the redevelopment of Abbey House for high levels of acuity in Grimsby.

We recognise that we are heavily Lincolnshire and North East Lincolnshire based and throughout 2023/24 began to work alongside Blueberry Academy to form a strategic partnership with Blueberry Academy joining Linkage in Autumn 2024.

What we were not able to achieve

Linkage was unable to deliver some of its planned activities for 2023/24 due to limited capacity. We had to prioritise projects throughout the year to ensure that we are best meeting the needs of the people who use our service.

Our Linkage Choices relocation from Checkpoint Court to Weaver Road, was delayed until February 2024 and we were therefore unable to achieve the level of growth we expected.

GOVERNANCE AND MANAGEMENT

Trustees and Directors / The Board

The Trust is governed by a Board of Trustees which meets eight times a year on a pre-planned basis, and more frequently if required. In addition, the Board has an annual strategy day and Trustees receive financial and other updates between board meetings. All Trustees give their time freely. Trustees are required to disclose all relevant interests and to withdraw from any decisions where a conflict of interest arises. No notice was received of any changes to the Trustees' interests during the year. The Trustees who served the trust during the year are listed on page 1 of this report.

Recruitment and Appointment of New Trustees

Subject to the requirements of the law and the Trust's Articles of Association, the Board is empowered to appoint as a trustee any person who is willing to act, either to fill a casual vacancy or by way of an addition to the Trustees.

Induction and Training of Trustees

A programme of induction and development has been available to all the Trustees, covering all the main features of the Trust's activities and the duties and responsibilities of Trustees. In addition, most meetings of the Board are preceded by development sessions, where presentations are made to Trustees on various aspects of the Trust's activities and on developments in the environment in which the Trust operates.

Organisation Structure

Responsibility for each major area of activity (Lifelong Learning, Care and Independence and Finance and Resources) is delegated to what Linkage (but not Companies House) describes as a 'Director', each of whom reports to the Chief Executive. The Chief Executive and the Directors make up the Executive Leadership Team (ELT), which reports regularly and routinely to the Board of Trustees.

Remuneration of Key Management Personnel

The remuneration of key management personnel is reviewed on an annual basis by the Board.

Wider Networks Membership

The Trust is a full member of the Association of Colleges (providing an umbrella for the entire FE sector), the Association for Real Change (providing an umbrella over the care sector), the British Association for Supported Employment, the National Association for Special Educational Needs, the National Association of Specialist Further Education Colleges, the National Council of Voluntary Organisations, Voluntary Organisations Disability Group and the Lincolnshire and Humberside Chambers of Commerce.

Key Stakeholders

Other organisations with which the Trust works closely include the Education and Skills Funding Agency, local authority, Adult Social Care and Children's Services Departments, various inspection regimes (especially Ofsted and the Care Quality Commission) and a number of quality assurance organisations.

Working in Partnership

Both formally and informally, the Trust works closely .and collaboratively with a wide range of other service providers, including mainstream and specialist FE colleges, housing associations, local authorities, other care providers and local employers, both individually and through a variety of professional networks.

Risk and Uncertainty

The Board of Trustees is ultimately responsible for Risk Management. The Board reviews key risks and the adequacy of mitigation actions on a regular basis. A comprehensive annual planning and budgeting process is approved by the Board during which a thorough assessment of key external and internal risks is undertaken. The Board also receives risk evaluations on any new major areas of activity. With the 2024-25 business year underway, we have implemented new and improved risk management framework which aims to take a deeper dive into our risk register and further embed risk management in the organisation. We have reviewed our risk appetite for growth and key projects are reviewed against this. This new approach is designed to enable the Board to express its high-level risk tolerance and to inform strategic choice and direction. Linkage understands the strong connection between risk management and risk assurance activities. Our top 6 high level retained risks are:

Risks	Mitigation
Funding fails to keep up with the cost increase from external circumstances and political change	• Succession planning • Documented systems, plans and projects • Implement training programs • Review and agree recruitment processes • Promote successes and good news stories • Pro-active management and communication of change • Review individual service/location viability • Communicate openly with Funders/Commissioners • Driving efficiency through use of staff resources • Renegotiation of home Local Authority funding (Residential Care) • Use of LA Hardship Funds • Serving notice on unsustainable packages • Agile working practices to increase efficiency
Service Delivery Failure	• Staff pre-employment checks • Mandatory training programme • Whistle-blowing policy • Management and supervisory oversight of services • Safeguarding monitoring, reporting and follow-up action • Review of processes in light of experience • Malpractice insurance • Increased visibility, Head of Safeguarding/ Quality appointed • Incident reporting processes • Atlas reporting of key indicators rolled out to aid controls • Aligning services to audit and regulatory body requirements; Shaping services around stakeholder freedback and requirements

IT Systems failure, loss of data, cyber security attacks	• Review systems requirements • Agree update programme • Off-site back-ups to secure and protect data • Review security and virus protection systems • Insurance cover for insurable risks • Cyber Protection/ Insurance; enhanced third party monitoring • BCP • IT Disaster Recovery Plan • Departmental Business Recovery Plans • Cyber Essentials Accreditation (Plus in future) • ISO 27001 accreditation in the future
Failure to recruit and retain staff	• Additional Human Resources resources specifically for recruitment and focus on Care staff Improved induction and training programmes • Communication (drop-ins, Communication Matters, all-staff online briefings) • Flexible working where appropriate • Review and develop Recruitment and Retention policies and strategies - including periodic stay conversations, learning and development platform and benefits packages • Review of employee T&Cs (Agile working) • Use of PlanDay and Hub model to best deploy workforce • Work to improve funding/efficiency to enable Linkage to improve pay and conditions • Better marketing of employer branding • Consistent supervisions, 1:1s, appraisals, Team Meetings • Enhanced information in place around risk and establishment and starter/leaver/change processes
Potential financial unsustainability of the Community Supported Living service	• All work related to 010, 013 & 014 which will support the recruitment and retention of workforce to enable the delivery of contracted CSL hours • Continued focus on rota management in all CSL services • Regular monitoring of capacity vs contracted hours via the Risk and Establishment process • Continued discussions with LCC re staffing capacity and potential impacts • Agile workforce including Hub working to continue • Local managers managing services to support better integration between CSL and Residential Care services

Lack of Effective Systems and Processes	• Processes and protocols put in place and regularly updated • Updated finance regulations • Continuous improvement plans established • Finance surgeries, audits and visits • Internal audit processes in place

Public Benefit Reporting

When reviewing the Trust's objectives and aims and in planning future activities, the Trustees confirm that they have complied with relevant legislation and have paid due regard to guidance published by the Charity Commission. The Trustees have referred to the guidance and have aimed to summarise the activities in this report and to demonstrate that they have helped further the Trust's aims and objectives as detailed above.

LINKAGE STAFF

Major Achievements
The staff at Linkage remains its greatest asset. Their commitment to the education, care and development of independence and welfare of the people supported by the Trust has remained consistently high. Year on year, the achievements of all the staff are reflected in personal targets and reviewed in annual appraisals. Performance against targets built into each service's operating plan is also monitored routinely and reviewed annually. During the period under review, the Trust's Care services continued to obtain consistently high grades from the Care Quality Commission and the Linkage College Ofsted maintained its rating of 'Good' with outstanding elements' in its last inspection.

Employee Involvement and Staff Development
The Trust's commitment to training and development is considerable and seeks both to enhance the quality of its work and to maintain its enviable market position. Various means are employed to ensure that staff at all levels and at all sites are informed of and able to contribute to the developments occurring across the organisation. Mandatory training for Linkage staff achieved 97% during the year.

Although there is no formal trade union involvement a Linkage-wide consultation body, a staff representative group ensures staff have a voice and assists the Executive Leadership Team in its decision making. Throughout the year this group particularly focused on our new agile working systems and processes.

Disabled Persons
The Trust's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Disabled employees receive appropriate training to facilitate and encourage career development. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts. The Trust continues to use and develop its commitment to the 'two ticks' disability symbol promoted by the Department for Work and Pensions.

FUTURE DEVELOPMENTS

Strategic Planning
The strategic plan which is updated annually by the Board covers the period 2023 to 2028 and focuses on 'nothing about you without you'. The plan outlines our journey for the five years and sets out clearly the Trust's vision, mission and values, and the actions the Trust will take to achieve its objectives.

FINANCIAL REVIEW

Summary of the Results for 31 August 2024

The Trust has continued to post a positive operating surplus for the year before property revaluations and actuarial gains of £929,349 (2023: £714,358)

Reserves Policy

The Board of Trustees has reviewed its Reserves Policy and re-examined the Trust's requirements for free reserves in light of both the predominant risks to the Trust and its need for working capital. In completing this review Trustees analysed existing funds, assessed the reliability of future income streams, reviewed committed expenditure and the extent to which it is controllable and assessed the risk, to identify potential commitments and contingencies together with the likelihood that these risks will materialise and give rise to new commitments. This assessment placed the minimum requirement of free reserves at £1.75m.

As at 31 August 2024, free reserves were £3,844,207 (2023: £3,381,413).

Principal Funding Sources

The Trust's principal funding source has always been the public purse: with various agencies of government funding its education and care services. In recent years, Linkage College has been funded by a succession of national funding agencies, most recently the Education and Skills Funding Agency, but now with decision making and an important element of funding devolved to local authorities, Funding of Linkage's care services continues to be delivered by local authority social services departments.

Funds in Deficit

The Trustees are not aware of any funds being overspent. As the balance sheet illustrates, the Trust has assets which are sufficient to meet the Trust's obligations on a fund-by-fund basis. Budgetary controls and monitoring are in place to ensure that funds to not go into a deficit position.

Fundraising Activities

For most of its history, the Trust has been able to rely upon fee income from its activities. In recent years, however, it has become increasingly clear that, if the Trust wishes to maintain the pursuit of excellence and to benefit from opportunities to explore new markets and test new services, it will need to develop a non-fee based income stream. For this reason, it has embarked upon a new fundraising strategy. The strategy primarily aims to focus on key development projects including an Inclusive and Sustainable Future for the Weelsby Hall Estate and was successful in September 2024 of receiving an award of £3.5 million worth of National Lottery Heritage Funding for the redevelopment of the estate. In total this year the fundraising team achieved over £1 million worth of restrictive funding focused on key projects including development of a new Small Animal Care Service, a newly acquired Sensory Outreach vehicle and library service funding for key projects throughout the year.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Investment Policy and Objectives
The Trustees' investment powers are prescribed in the Trust's Articles of Association. The Trustees are permitted to invest any monies of the Trust not immediately required for its purpose in or upon such investments, securities or property as the management committee shall think fit and is allowed by law. During the reporting period, the Trust's investment portfolio was managed by Kingswood Group (in association with JCH: Management Services Limited).

Internal and External Factors
The Trustees have made a full assessment of the internal and external factors that may affect these financial statements and do not deem any factors material enough to have an impact.

Funds held as Custodian for Others
Included in creditor balances is £610,779 (2023: £559,783) due to students and residents in respect of monies held on their behalf in bank accounts in the Trust's name. This amount is also included in the figure for cash at bank and in hand on the balance sheet.

Approved by order of the members of the Board of Trustees on 25 March 2025 and signed on their behalf by:



Mrs S M Simpson
Chair

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2024

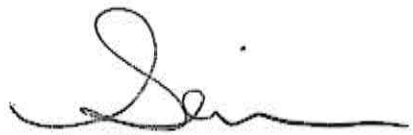
The Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

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

Approved by order of the members of the Board of Trustees on 25 March 2025 and signed on its behalf by:



Mrs S M Simpson
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST

Opinion

We have audited the financial statements of Linkage Community Trust (the 'trust') for the year ended 31 August 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the trust through discussions with trustees and other management, and from our commercial knowledge and experience of the trust and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the trust, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST (CONTINUED)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed a sample of grants in the year to ensure accurate recognition;
- agreed a sample of fee income as being accurately invoiced and recognised;
- reviewed the claims of Government and local authority support to determine accuracy and eligibility;
- agreed a sample of employees on the trust payroll to existence and agreed the accuracy of their pay;
- assessed and reviewed the appropriateness and effectiveness of the key systems and controls;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the trust's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Anderson (Senior statutory auditor)
for and on behalf of
Streets Audit LLP
Chartered Accountants & Statutory Auditor
Tower House
Lucy Tower Street
Lincoln
LN1 1XW

Date: 07/05/2025

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2024

	Note	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Income from:					
Donations and legacies	4	**1,046,412**	**31,550**	**1,077,962**	*368,605*
Charitable activities	6	**-**	**20,564,670**	**20,564,670**	*19,109,164*
Other trading activities	8	**-**	**30,749**	**30,749**	*21,812*
Investments	9	**-**	**12,333**	**12,333**	*-*
Total income		**1,046,412**	**20,639,302**	**21,685,714**	*19,499,581*
Expenditure on:					
Raising funds	10	**827,173**	**53,855**	**881,028**	*461,534*
Charitable activities	11	**-**	**20,226,512**	**20,226,512**	*18,358,868*
Other expenditure	13	**-**	**(88,028)**	**(88,028)**	*(18,000)*
Total expenditure		**827,173**	**20,192,339**	**21,019,512**	*18,802,402*
Net income before net gains on investments		**219,239**	**446,963**	**666,202**	*697,179*
Net gains on investments		**-**	**263,147**	**263,147**	*17,179*
Net (expenditure) / income		**219,239**	**710,110**	**929,349**	*714,358*
Transfers between funds	23	**91,966**	**(91,966)**	**-**	*-*
Net movement in funds before other recognised gains/(losses)		**311,205**	**618,144**	**929,349**	*714,358*
Other recognised gains/(losses):					
Losses on revaluation of fixed assets		**-**	**(4,541,891)**	**(4,541,891)**	*-*
Actuarial (losses)/gains on defined benefit pension schemes	29	**-**	**(7,000)**	**(7,000)**	*40,000*
Derecognition of defined benefit pension scheme surplus	29	**-**	**(156,000)**	**(156,000)**	*(185,000)*
Net movement in funds		**311,205**	**(4,086,747)**	**(3,775,542)**	*569,358*

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Reconciliation of funds:					
Total funds brought forward		**291,609**	**23,436,001**	**23,727,610**	*23,158,252*
Net movement in funds		**311,205**	**(4,086,747)**	**(3,775,542)**	*569,358*
Total funds carried forward		**602,814**	**19,349,254**	**19,952,068**	*23,727,610*

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

The notes on pages 26 to 52 form part of these financial statements.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 01240377

BALANCE SHEET
AS AT 31 AUGUST 2024

	Note		2024 £		2023 £
Fixed assets					
Tangible assets	17		**16,346,119**		*21,322,117*
			16,346,119		*21,322,117*
Current assets					
Debtors	19	**2,856,251**		*2,451,254*	
Investments	20	**2,656,687**		*2,393,540*	
Cash at bank and in hand		**1,412,134**		*861,285*	
		6,925,072		*5,706,079*	
Creditors: amounts falling due within one year	21	**(3,069,123)**		*(2,417,239)*	
Net current assets			**3,855,949**		*3,288,840*
Total assets less current liabilities			**20,202,068**		*24,610,957*
Creditors: amounts falling due after more than one year	22		**(250,000)**		*(883,347)*
Net assets excluding pension asset			**19,952,068**		*23,727,610*
Total net assets			**19,952,068**		*23,727,610*

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2024

	Note		2024 £		*2023 £*
Charity funds					
Restricted funds	23		**602,814**		*291,609*
Unrestricted funds					
Designated funds	23	**119,310**		*126,960*	
General funds	23	**18,403,414**		*17,940,620*	
Revaluation reserve		**826,530**		*5,368,421*	
Total unrestricted funds	23		**19,349,254**		*23,436,001*
Total funds			**19,952,068**		*23,727,610*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 25 March 2025 and signed on their behalf by:

Mrs S M Simpson
Chair

The notes on pages 26 to 52 form part of these financial statements.

General funds analysis

	2024 £	*2023 £*
Amounts Invested in Land and Buildings	**14,809,207**	*15,575,886*
Loans Secured on Property	**(250,000)**	*(1,016,679)*
Free Reserves	**3,844,207**	*3,381,413*
	18,403,414	*17,940,620*

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	2024 £	2023 £
Cash flows from operating activities		
Net cash generated from / (used in) operating activities	**1,407,376**	*(645,831)*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(89,848)**	*(890,056)*
Net cash used in investing activities	**(89,848)**	*(890,056)*
Cash flows from financing activities		
Repayments of borrowing	**(766,679)**	*(133,332)*
Net cash used in financing activities	**(766,679)**	*(133,332)*
Change in cash and cash equivalents in the year	**550,849**	*(1,669,219)*
Cash and cash equivalents at the beginning of the year	**861,285**	*2,530,504*
Cash and cash equivalents at the end of the year	**1,412,134**	*861,285*

The notes on pages 26 to 52 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

1. General information

The Trust is a charitable company limited by guarantee incorporated in England and Wales. The members of the company are the Trustees named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £1 per member of the Trust.

The Trust's registered office is Toynton Hall, Main Road, Toynton All Saints, Spilsby, Lincolnshire, PE23 5AE.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Linkage Community Trust 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.

2.2 Consolidation

These financial statements represent the figures of the Trust only. Consolidated financial statements have not been prepared on the basis that the subsidiary company is not material to the financial statements.

2.3 Income

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

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes the direct costs incurred in relation to restricted voluntary income received.

Expenditure on charitable activities is incurred on undertaking the activities which further the Trust's objectives. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and an allocation of a corporate overhead.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Freehold Property is initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, a Trust may need to estimate fair value using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the Statement of financial activities, with a separate revaluation reserve being shown in the Statement of funds note.

Other tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold Property	- no depreciation - see below
Leasehold Property	- over the remaining lease term
Leasehold Improvement and Movable Buildings	- straight line over lease term and 10 years
Motor Vehicles	- straight line over 4 years
Equipment, Fixtures and Fittings	- straight line over 5 years
ICT Equipment	- straight line over 3 years

Freehold Property is not depreciated on the grounds of immateriality. Freehold Property is subject to regular maintenance and repair such that in the Trustees opinion the residual value is not materially different from the value in the financial statements and has a long useful economic life. The Trustees consider the need for impairment at each period end.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

2.7 Debtors

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

2.8 Current asset investments

Investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

2.9 Cash at bank and in hand

Cash at bank and in hand represents amounts held in current bank accounts and petty cash balances.

2. Accounting policies (continued)

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.11 Financial instruments

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

2.12 Operating leases

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

2.13 Pensions

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

The Trust operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 August 2024.

2.14 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the Trust's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

The recoverability of trade debtors and associated provisioning is considered on a regular basis. When calculating the debtor provision, the Trustees review the age of the debts and the financial position of its service users.

The present value of the defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability.

4. Income from donations and legacies

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Donations	4,386	31,550	**35,936**	*49,735*
Grants	1,042,026	-	**1,042,026**	*318,870*
	1,046,412	31,550	**1,077,962**	*368,605*
Total 2023	*324,191*	*44,414*	*368,605*	

5. Analysis of grants

	2024 £	*2023 £*
National Lottery Heritage Fund - Weelsby Hall Project	**279,927**	-
Lincs County Council - CSL Innovation Fund	**222,076**	-
Education & Skills Funding Agency Funding	**212,793**	*141,457*
Big Lottery Fund	**58,376**	*37,818*
Historic Houses Foundation	**50,000**	-
Lincs County Council - Digital Care Planning System	**46,600**	-
Tolkien Trust	**45,000**	*50,000*
East Riding of Yorkshire Council - Digital Care Planning System	**30,609**	-
Education & Training Foundation	**25,400**	-
Pilgrim Trust	**25,000**	-
Other	**46,245**	*88,595*
	1,042,026	*317,870*

6. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Education and Linkage Choices	6,365,203	**6,365,203**	*6,333,560*
Care	13,628,380	**13,628,380**	*12,228,039*
Employment	201,709	**201,709**	*135,834*
Corporate and Cafes	369,378	**369,378**	*411,731*
	20,564,670	**20,564,670**	*19,109,164*
Total 2023	*19,109,164*	*19,109,164*	

7. Analysis of income from charitable activities by category

	2024 £	*2023* *£*
Education and Linkage Choices		
Fees Receivable	**6,230,926**	*6,175,554*
	6,230,926	*6,175,554*
Care		
Fees Receivable	**12,939,110**	*11,478,798*
Other Income	**689,170**	*749,241*
	13,628,280	*12,228,039*
Employment		
Fees Receivable	**201,709**	*135,834*
	201,709	*135,834*
Corporate and Cafes		
Training Outlet Income	**159,680**	*139,629*
Other Income	**209,698**	*272,102*
	369,378	*411,731*

8. Income from other trading activities

Income from fundraising events

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Income from Fundraising	-	30,749	**30,749**	*21,812*
Total 2023	*902*	*20,910*	*21,812*	

9. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Bank Interest	12,333	**12,333**	-

10. Expenditure on raising funds

Expenditure of voluntary income

	Restricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Other Costs	804,130	**804,130**	*274,052*
Payroll Costs	23,043	**23,043**	*136,847*
	827,173	**827,173**	*410,899*
Total 2023	*410,899*	*410,899*	

10. Expenditure on raising funds (continued)

Fundraising expenses

	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Other Fundraising Costs	12,935	**12,935**	*12,766*
Fundraising Salaries	36,475	**36,475**	*33,892*
Fundraising National Insurance	3,449	**3,449**	*3,007*
Fundraising Pension	996	**996**	*970*
	53,855	**53,855**	*50,635*
Total 2023	*50,635*	*50,635*	

11. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Total 2024 £	*Total 2023 £*
Education and Linkage Choices	6,360,295	**6,360,295**	*5,915,386*
Care	13,211,109	**13,211,109**	*11,799,649*
Employment	409,362	**409,362**	*232,102*
Corporate and Cafes	245,746	**245,746**	*411,731*
	20,226,512	**20,226,512**	*18,358,868*
Total 2023	*18,358,868*	*18,358,868*	

12. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Corporate overhead allocation 2024 £	Total funds 2024 £	*Total funds 2023 £*
Education and Linkage Choices	5,486,177	874,118	**6,360,295**	*5,915,386*
Care	11,070,417	2,140,692	**13,211,109**	*11,799,649*
Employment	379,006	30,356	**409,362**	*232,102*
Corporate and Cafes	3,290,912	(3,045,166)	**245,746**	*411,731*
	20,226,512	-	**20,226,512**	*18,358,868*
Total 2023	*18,358,868*	-	*18,358,868*	

Analysis of direct costs

	Education and Linkage Choices 2024 £	Care 2024 £	Employment 2024 £	Corporate and Cafes 2024 £	Total funds 2024 £	*Total funds 2023 £*
Staff Costs	4,527,315	9,024,754	353,356	1,957,678	**15,863,103**	*13,250,530*
Other Direct Costs	958,862	2,045,663	25,650	1,333,234	**4,363,409**	*5,108,338*
	5,486,177	11,070,417	379,006	3,290,912	**20,226,512**	*18,358,868*
Total 2023	*5,048,835*	*10,126,622*	*213,517*	*2,969,894*	*18,358,868*	

13. Other expenditure

	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Property Profit on Disposal	(55,028)	**(55,028)**	-
Pension Scheme - Interest on Liabilities	(141,000)	**(141,000)**	*99,000*
Pension Scheme - Interest on Assets	108,000	**108,000**	*(117,000)*
	(88,028)	**(88,028)**	*(18,000)*
Total 2023	*(18,000)*	*(18,000)*	

14. Auditors' remuneration

	2024 £	*2023 £*
Fees payable to the Trust's auditor and its associates for the audit of the Trust's annual accounts	**13,000**	*13,000*
Fees payable to the Trust's auditor and its associates in respect of:		
All non-audit services not included above	**4,750**	*4,000*
Fees payable to the Trust's auditor and its associates in connection with the Trust's pension scheme(s) in respect of:		
The auditing of accounts of the scheme(s)	**2,875**	*2,750*

15. Staff costs

	2024 £	2023 £
Wages and salaries	**14,514,944**	*12,169,502*
Social security costs	**1,059,037**	*937,431*
Contribution to defined contribution pension schemes	**353,085**	*318,313*
	15,927,066	*13,425,246*

Wages and salaries includes total ex-gratia, notice and redundancy payments of £13,500 (2023: £29,425).

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

	2024 No.	2023 No.
Education and Adult Skills (Linkage Choices)	**213**	*128*
Care	**319**	*362*
Corporate Services	**66**	*60*
Bank Staff	**84**	*66*
	682	*616*

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

	2024 No.	2023 No.
In the band £60,001 - £70,000	**2**	*2*
In the band £70,001 - £80,000	**2**	*2*
In the band £110,001 - £120,000	**1**	*1*

The key management personnel of the Trust are considered to be the senior leadership team. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Trust was £390,525 (2023: £380,000).

16. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2023 - £NIL)*.

During the year ended 31 August 2024, expenses totalling £60 were reimbursed or paid directly to 1 Trustee (2023: *£110)*. Expenses paid to Trustees related to the reimbursement of mileage.

17. Tangible fixed assets

	Freehold and Leasehold Property £	Leasehold Improvement and Moveable Buildings £	Motor Vehicles £	Fixtures and Fittings £	Total £
Cost or valuation					
At 1 September 2023	**20,949,590**	**217,233**	**831,938**	**2,543,719**	**24,542,480**
Additions	**23,706**	**-**	**66,142**	**-**	**89,848**
Disposals	**(390,000)**	**-**	**(74,413)**	**(2,305,856)**	**(2,770,269)**
Revaluations	**(4,541,891)**	**-**	**-**	**-**	**(4,541,891)**
At 31 August 2024	**16,041,405**	**217,233**	**823,667**	**237,863**	**17,320,168**
Depreciation					
At 1 September 2023	**5,283**	**84,340**	**645,310**	**2,485,430**	**3,220,363**
Charge for the year	**-**	**33,213**	**69,506**	**32,910**	**135,629**
On disposals	**(5,283)**	**-**	**(74,414)**	**(2,302,246)**	**(2,381,943)**
At 31 August 2024	**-**	**117,553**	**640,402**	**216,094**	**974,049**
Net book value					
At 31 August 2024	**16,041,405**	**99,680**	**183,265**	**21,769**	**16,346,119**
At 31 August 2023	*20,944,307*	*132,893*	*186,628*	*58,289*	*21,322,117*

Properties are revalued on a discretionary basis. Valuations have been carried out to revalue properties on a market value basis. The valuations were undertaken by suitably qualified independent valuers.

The Trust has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	2024 £	*2023 £*
Freehold property	**15,380,079**	*15,746,373*

18. Fixed asset investments

The Trust deems Linkage Trading Ltd a subsidiary undertaking due to the control it exerts over the company. The results for the subsidiary are not consolidated on the grounds of immateriality.

19. Debtors

	2024 £	*2023* *£*
Due within one year		
Trade debtors	**1,673,853**	*1,264,522*
Amounts owed by group undertakings	**-**	*14,286*
Other debtors	**108,198**	*107,458*
Prepayments and accrued income	**1,074,200**	*1,064,988*
	2,856,251	*2,451,254*

Trade debtors are stated after provisions for bad debts and credit notes of £523,985 (2023: £179,889).

20. Current asset investments

	2024 £	*2023* *£*
Investment portfolio	**2,656,687**	*2,393,540*

During the year, the change in the market value of the investment portfolio resulted in a gain of £263,147 (2023: gain of £17,179).

21. Creditors: Amounts falling due within one year

	2024 £	2023 £
Bank loans	-	133,332
Trade creditors	**632,661**	342,429
Other taxation and social security	**265,562**	270,350
Student and resident monies held	**610,779**	559,783
Other creditors	**446,625**	598,008
Accruals and deferred income	**1,113,496**	513,337
	3,069,123	2,417,239

	2024 £	2023 £
Deferred income at 1 September	**235,542**	951,113
Resources deferred during the year	**(235,542)**	197,922
Amounts released from previous periods	**785,622**	(913,493)
Deferred income at 31 August	**785,622**	235,542

Income for services is now billed in advance rather than in arrears, hence the increase in deferred income.

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

	2024 £	2023 £
Bank loans	-	633,347
Other loans	250,000	250,000
	250,000	883,347

Included within the above are amounts falling due as follows:

	2024 £	2023 £
Between one and two years		
Bank loans	-	133,332
Between two and five years		
Bank loans	-	399,996
Over five years		
Bank loans	-	100,019
Other loans	250,000	250,000

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2024 £	2023 £
Payable or repayable by instalments	-	100,019
Payable or repayable other than by instalments	250,000	250,000
	250,000	350,019

During the year the bank loans were fully repaid. In the prior year bank loans were secured by legal charges over four freehold properties owned by the Trust with a total net book value of £4,535,000. The total bank loan balance of £766,679 was 17% of the property value based on the most recent valuations at the time.

The other loan is secured by a legal charge over one freehold property owned by the Trust which has a net book value of £275,000 (2023: £275,000). The loan balance is 91% (2023: 91%) of the value of the security held.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

23. Statement of funds

Statement of funds - current year

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2024 £
Unrestricted Funds						
Designated Funds						
Digitalisation Reserve	126,960	108,627	(116,277)	-	-	119,310
General Funds						
Free Reserves	3,381,413	20,530,675	(20,109,062)	(221,966)	263,147	3,844,207
Property Fund	14,559,207	-	-	-	-	14,559,207
Revaluation Reserve	5,368,421	-	-	-	(4,541,891)	826,530
Pension Reserve	-	-	33,000	130,000	(163,000)	-
	23,309,041	20,530,675	(20,076,062)	(91,966)	(4,441,744)	19,229,944
Total Unrestricted Funds	23,436,001	20,639,302	(20,192,339)	(91,966)	(4,441,744)	19,349,254

23. Statement of funds (continued)

Restricted Funds						
ESFA Maintenance	152,028	144,507	(31,520)	-	-	265,015
Lincs CC - CSL Innovation Trust	-	222,076	(61,427)	-	-	160,649
ESFA Bursary Funding	48,683	46,880	(74,611)	-	-	20,952
National Lottery Heritage Fund - Weelsby Hall Project	-	279,927	(269,427)	-	-	10,500
Tolkien Trust	-	45,000	(35,078)	-	-	9,922
Big Lottery Fund	3,933	58,376	(80,739)	18,430	-	-
Karten Trust	4,645	-	(30,596)	25,951	-	-
Education & Training Foundation	-	25,400	(25,400)	-	-	-
Historic Houses Foundation	-	50,000	(50,000)	-	-	-
Lincs County Council - Digital Care Planning System	-	46,600	(46,600)	-	-	-
East Riding of Yorkshire Council - Digital Care Planning System	-	30,609	(30,609)	-	-	-
Pilgrim Trust	-	25,400	(25,400)	-	-	-
Other Restricted Funds	82,320	71,637	(65,766)	-	-	88,191
Fixed Assets Aquired	-	-	-	47,585	-	47,585
	291,609	1,046,412	(827,173)	91,966	-	602,814
Total of Funds	23,727,610	21,685,714	(21,019,512)	-	(4,441,744)	19,952,068

23. Statement of funds (continued)

Unrestricted Funds:
For clarity of presentation, the Trustees choose to show the value of property and the accumulated gains and losses as separate funds. Free Reserves above therefore represents the accumulated surplus on charitable activities.

Restricted Funds:
Most of the Trust's income is in the form of fees but it also receives grants and raises funds for specific purposes. These restricted funds are described below:

ESFA Maintenance – represents funding received from the Education and Skills Funding Agency (ESFA) to be spent on the condition of educational facilities.

Lincs CC - CSL Innovation Fund – funding secured via Lincolnshire County Council to improve staff recruitment and retention as well as develop further Community Supported Living services in the community.

ESFA Bursary Fund – represents funds provided by the ESFA to financially support students and remove barriers to learning.

National Lottery Heritage Fund - Weelsby Hall Project - represents funds provided by the National Lottery Heritage Fund for the renovation of Weelsby Hall.

Tolkien Trust – relates to funding provided to cover the core costs of the charity.

Big Lottery Fund – relates to funding provided by the Big Lottery Fund and other donors for the continued running costs of the charity's Sensory Bus.

Karten Trust – relates to funding towards equipment within educational services.

Education & Training Foundation – funding from the Educational Trusts' Forum to assist with the recruitment and training of new teaching staff.

Other Restricted Funds – relate to other grants and donations from funders and individuals which are subject to restrictions imposed by the donor.

Material Transfers:
A material transfer has been recognised in the prior year to transfer the NBV of fixed assets acquired with restricted funds to unrestricted funds on the basis that the trustees have confirmed that a restriction no longer exists.

23. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2022 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2023* £
Unrestricted Funds						
Designated Funds						
Digitalisation Reserve	*144,000*	-	*(17,040)*	-	-	*126,960*
General Funds						
Free Reserves	*3,635,492*	*19,174,488*	*(18,392,263)*	*(1,053,483)*	*17,179*	*3,381,413*
Property Fund	*10,684,292*	-	*(200)*	*3,875,115*	-	*14,559,207*
Revaluation Reserve	*5,368,421*	-	-	-	-	*5,368,421*
Pension Reserve	-	-	*18,000*	*127,000*	*(145,000)*	-
	19,688,205	*19,174,488*	*(18,374,463)*	*2,948,632*	*(127,821)*	*23,309,041*
Total Unrestricted Funds	*19,832,205*	*19,174,488*	*(18,391,503)*	*2,948,632*	*(127,821)*	*23,436,001*

23. Statement of funds (continued)

Restricted Funds						
ESFA Maintenance	*168,574*	*141,457*	*(158,003)*	-	-	*152,028*
ESFA Bursary Funding	*43,183*	*36,694*	*(31,194)*	-	-	*48,683*
Big Lottery Fund	*57,001*	*49,621*	*(106,689)*	*4,000*	-	*3,933*
Children in Need	-	*17,982*	*(17,982)*	-	-	-
Tolkien Trust	-	*50,000*	*(41,000)*	*(9,000)*	-	-
Help for Health	*3,828*	*8,000*	*(11,828)*	-	-	-
Other Restricted Funds	*108,095*	*21,339*	*(37,469)*	*(5,000)*	-	*86,965*
Fixed Assets Aquired	*2,945,366*	-	*(6,734)*	*(2,938,632)*	-	-
	3,326,047	*325,093*	*(410,899)*	*(2,948,632)*	-	*291,609*
Total of Funds	*23,158,252*	*19,499,581*	*(18,802,402)*	-	*(127,821)*	*23,727,610*

24. Summary of funds

Summary of funds - current year

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2024 £
Designated funds	**126,960**	**108,627**	**(116,277)**	**-**	**-**	**119,310**
General funds	**23,309,041**	**20,530,675**	**(20,076,062)**	**(91,966)**	**(4,441,744)**	**19,229,944**
Restricted funds	**291,609**	**1,046,412**	**(827,173)**	**91,966**	**-**	**602,814**
	23,727,610	**21,685,714**	**(21,019,512)**	**-**	**(4,441,744)**	**19,952,068**

Summary of funds - prior year

	Balance at 1 September 2022 £	*Income £*	*Expenditure £*	*Transfers in/out £*	*Gains/ (Losses) £*	*Balance at 31 August 2023 £*
Designated funds	*144,000*	*-*	*(17,040)*	*-*	*-*	*126,960*
General funds	*19,688,205*	*19,174,488*	*(18,374,463)*	*2,948,632*	*(127,821)*	*23,309,041*
Restricted funds	*3,326,047*	*325,093*	*(410,899)*	*(2,948,632)*	*-*	*291,609*
	23,158,252	*19,499,581*	*(18,802,402)*	*-*	*(127,821)*	*23,727,610*

25. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	47,585	16,298,534	**16,346,119**
Current assets	555,229	6,369,843	**6,925,072**
Creditors due within one year	-	(3,069,123)	**(3,069,123)**
Creditors due in more than one year	-	(250,000)	**(250,000)**
Total	602,814	19,349,254	**19,952,068**

25. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Restricted funds 2023 £	*Unrestricted funds 2023 £*	*Total funds 2023 £*
Tangible fixed assets	-	*21,322,117*	*21,322,117*
Current assets	*315,655*	*5,390,424*	*5,706,079*
Creditors due within one year	*(24,046)*	*(2,393,193)*	*(2,417,239)*
Creditors due in more than one year	-	*(883,347)*	*(883,347)*
Total	*291,609*	*23,436,001*	*23,727,610*

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

	2024 £	*2023 £*
Net income for the period (as per Statement of Financial Activities)	**929,349**	*714,358*
Adjustments for:		
Depreciation charges	**135,629**	*146,051*
(Gain) / loss on investments	**(263,147)**	*(17,179)*
(Gain)/ loss on the sale of fixed assets	**388,326**	-
Increase in debtors	**(404,997)**	*(453,483)*
Increase/(decrease) in creditors	**785,216**	*(848,578)*
Net pension finance cost	**(33,000)**	*(18,000)*
Contributions to defined benefit pension schemes	**(130,000)**	*(127,000)*
Donated fixed assets	**-**	*(42,000)*
Net cash provided by/(used in) operating activities	**1,407,376**	*(645,831)*

27. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	**801,348**	*301,502*
Residents money bank accounts	**610,786**	*559,783*
Total cash and cash equivalents	**1,412,134**	*861,285*

28. Analysis of changes in net debt

	At 1 September 2023 £	Cash flows £	At 31 August 2024 £
Cash at bank and in hand	**861,285**	**550,849**	**1,412,134**
Debt due within 1 year	**(133,332)**	**133,332**	**-**
Debt due after 1 year	**(883,347)**	**633,347**	**(250,000)**
Liquid investments	**2,393,540**	**263,147**	**2,656,687**

29. Pension commitments

Linkage Community Trust operates two separate pension schemes - a Group Savings Plan and an Executive Pension Plan. The assets of both schemes are held separately from those of the Trust in independently administered funds.

Group Savings Plan:
The Group Savings Plan is a defined contribution scheme. The pension cost in the accounts represents the total pension cost for the year which amounted to £353,085 (2023: £318,313).

Executive Pension Plan:
This is a defined contribution plan with underlying guarantees of a defined benefit nature. It is therefore accounted for in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The scheme is closed to further accrual of benefits. At 31 August 2024, the scheme makes payments to six (2023: six) pensioners.

The following disclosures are taken from the report prepared as at 31 August 2024 by Barnett Waddingham LLP, the Plan's actuary.

29. Pension commitments (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2024 %	*At 31 August 2023 %*
Discount Rate	**4.95**	*5.35*
Retail Prices Index (RPI) Inflation	**3.40**	*3.50*
LPI Pension Increases	**3.55**	*3.60*
Assumed Percentage of Pension Taken as Tax Free Cash	**20.0**	*20.0*

	At 31 August 2024 Years	*At 31 August 2023 Years*
Mortality rates (in years)		
- for a male aged 65 now	**22.1**	*22.0*
- at 65 for a male aged 45 now	**23.8**	*23.7*
- for a female aged 65 now	**24.6**	*24.5*
- at 65 for a female aged 45 now	**26.3**	*26.2*

The Trust's share of the assets in the scheme was:

	At 31 August 2024 £	*At 31 August 2023 £*
Cash	**190,000**	*130,000*
Funds	**1,724,000**	*1,596,000*
Insured Assets	**928,000**	*910,000*
Total fair value of assets	**2,842,000**	*2,636,000*

The actual return on scheme assets was £210,000 *(2023 - £(72,000))*.

The amounts recognised in the Statement of financial activities are as follows:

	2024 £	*2023 £*
Interest on assets	**(141,000)**	*(117,000)*
Interest on liabilities	**108,000**	*99,000*
Total amount recognised in the Statement of financial activities	**(33,000)**	*(18,000)*

29. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2024 £
Opening defined benefit obligation	**2,086,000**
Changes to actuarial assumptions	**76,000**
Benefits paid	**(134,000)**
Interest on liabilities	**108,000**
Closing defined benefit obligation	**2,136,000**

Movements in the fair value of the Trust's share of scheme assets were as follows:

	2024 £
Opening fair value of scheme assets	**2,636,000**
Interest on assets	**141,000**
Return on assets less interest	**69,000**
Contributions	**130,000**
Benefits paid	**(134,000)**
Closing fair value of scheme assets	**2,842,000**

The actuarial report valued a pension scheme surplus of £706,000 (2023: £550,000) as set out by the disclosures above. This balance has not been recognised on the basis that the balance is not deemed to be recoverable through reduced contributions in the future or through refunds from the plan.

30. Operating lease commitments

At 31 August 2024 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Not later than 1 year	**54,881**	*55,032*
Later than 1 year and not later than 5 years	**62,994**	*117,875*
	117,875	*172,907*

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2024 £	2023 £
Operating lease rentals	**62,048**	*60,800*

31. Related party transactions

Linkage Trading Ltd:

Linkage Trading Ltd is a company limited by guarantee which is controlled by Linkage Community Trust.

The Trust processes payroll on behalf of the company and receives other minor income and expenses. Total expenses and repayments resulted in a net repayment in the year of £9,839 (2023: £34,859).

In addition, the company charges the Trust a management fee for marketing services provided. The charge for the year was £17,975 (2023: £18,228)

The balance outstanding at the year-end is £Nil (2023: £14,286) and included within amounts owed by group undertakings.

THE LINKAGE COMMUNITY TRUST LIMITED

England & Wales - Charity number 504913

Accounts

Registered number: 01240377
Charity number: 504913

LINKAGE COMMUNITY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

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LINKAGE COMMUNITY TRUST

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2023

Trustees	Mr K J Batty Mrs T U Boyes (appointed 6 September 2023, resigned 12 April 2024) Mrs B L Findlay (resigned 17 October 2022) Mrs E Hadley (resigned 17 August 2023) Mr S J Hatchman Dr L M Lofts (appointed 9 November 2023) Mr D Reed (resigned 24 January 2023) Mrs S M Simpson Mr M A Smith, Chairman Mr E J Steabler (appointed 29 August 2023, resigned 5 February 2024) Mrs K I Truscott (resigned 30 April 2023) Mrs S Wood (appointed 19 January 2023)
Company Registered Number	01240377
Charity Registered Number	504913
Registered Office	Toynton Hall Main Road Toynton All Saints Spilsby Lincolnshire PE23 5AE
Independent Auditors	Streets Audit LLP Chartered Accountants & Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW
Bankers	Lloyds Bank plc High Street Lincoln LN5 7AP
Solicitors	Bridge McFarland LLP 9 Cornmarket Louth Lincolnshire LN11 9PY
Investment Advisers	jch: investment management limited 1 Henley Way Doddington Road Lincoln LN6 3QR

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

The Chairman presents their statement for the year.

I am very pleased to report another successful year for Linkage Community Trust. 2022/2023 saw operations revert to normal following the COVID-19 pandemic, opening up opportunities for the people Linkage supports to enjoy many opportunities.

The Weelsby Hall Project continued to develop towards the refurbishment of the Victorian Hall standing in the Trust's Weelsby Campus at Grimsby. The completed project will feature a training hub, accommodation for people with more complex needs plus office space. The project will generate income streams to fund the ongoing maintenance and running costs of the facilities, as well as protecting the future of a local heritage asset.

The National Lottery Heritage Fund invited a application for funding, identifying the community benefits of the project, and granted £277,000 towards the project development stage which will go towards urgent roof repairs. The Hall invited visitors in September 2022 as part of the national Heritage Open Days.

A number of property developments began around Lincoln reflecting growth in this area. After viewing a number of properties, two units at Weaver Road were leased. These will house Linkage Choice's day services activities, moving from a smaller nearby leased property, and also provide much needed Corporate offices and meeting space in Lincoln. Bothe units will be brought into use in 2023/24. The Trust also took the decision to purchase a new Residential Care property to the south of Lincoln. Known as 'The Eagles', this is a former guest house in excellent condition and lending itself to growing demand from commissioners in the area. The property requires some minor maintenance and redecoration and again will be brought into use in 2023/24.

The Trust continues to be sensitive to funding from Local and Central Government for its activities. Continuing work seeks to maximise funding and ensure the value for money of all Linkage services. Relationships with local authorities, especially in Greater Lincolnshire and in the East Riding of Yorkshire continue to be key. In a challenging Financial landscape, Linkage's Digitalisation strategy which was launched in 2019 has been vital in driving efficiencies and in providing high quality management information. In the reporting period, a new Finance system was installed (to go live in September 2023), a new Maintenance helpdesk system went live, while new payroll/HR, IT helpdesk and digital care systems were identified for implementation in 2024.

Linkage entered the second year of its current Corporate Strategy with the ethos "Nothing about you without you", committing to ensuring that people with learning disabilities, autism or both have opportunities and choice and are supported to achieve their aspirations.

The Trust's Care Services supported around 160 people in Residential Care and 130 in Supported Living services. Educational services grew to over 200 students, with a further cohort enjoying the facilities at Beverley in the East Riding of Yorkshire which was opened in 2021. Linkage Choices opened for the first time in East Riding, sharing the educational campus.

Summer 2023 once again saw the opportunity to celebrate success. Linkage held its graduation ceremony in the magnificent Grimsby Minster with an opportunity to hear inspiring stories from students as they move to pastures new. Linkage Choices hosted their annual show at Grimsby Auditorium – a high end venue for both performers and back-of-house supporters to showcase their skills to a large audience.

CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Finally, I would like to pay tribute to the hard work and dedication of almost 700 staff and volunteers plus a wide range of parents, supporters, sponsors and other stakeholders who have contributed in the past year to the achievements and successes of the Trust.

Mr M A Smith
Date: 26/04/2024

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the audited financial statements of the Trust for the year 1 September 2022 to 31 August 2023. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and republic of Ireland (FRS 102).

STRUCTURE

The Trust is both a company limited by guarantee as defined by the Companies Act 2006 and a registered charity. Its governing document is the Articles of Association adopted on 1 May 2019.

OBJECTIVES AND ACTIVITIES

Aims and Objectives

The objects of the Trust are set out in the Articles of Association. More specifically, the Trust provides specialist further education, residential care and community support, adult skills and a range of employment services which, taken together, are intended to enable people with learning difficulties and other disabilities to realise their full potential and achieve independence. There has been no substantive change in the charitable objects during the period under review.

Significant Activities

During the year, the Trust operated:

- college campuses in Toynton, Grimsby, Lincoln and Beverley in the East Riding; and
- residential and day care services based in Toynton, Scremby, Skegness, Louth, Grimsby, Alford, Lincoln and Mablethorpe.

It also operated from more than 30 'satellites' (residential care homes, student residences, workshops, cafes etc) situated in East Lindsey, North East Lincolnshire and the City of Lincoln.

Related Parties

Linkage Trading Limited is a company limited by guarantee established to provide a vehicle for the conduct of commercial activities that support, promote or otherwise enhance the aims and objectives of the Trust.

Linkage Trading Limited is governed by its own board of directors, although by deed of covenant dated 30 March 2001, the whole of the annual surplus of Linkage Trading Limited, if any, is to be paid to the Trust. An option deed dated 30 March 2001 exists whereby at any time Linkage Community Trust has the right to acquire the assets and undertakings of Linkage Trading Limited.

Strategic Focus

Our strategy "Nothing about you without you" was launched in 2023 and outlines how we will achieve our vision that people with learning disabilities, autism or both have opportunities and choice and are supported to achieve their aspirations. It seeks to build on our achievements whilst also making the most of new opportunities and learnings. Throughout our 2023-28 strategy period we will continue to work across greater Lincolnshire and East Riding to achieve our vision by delivering person centred services that enable individuals to develop the skills and behaviours to live independent lives. Our main priorities throughout 2023-28 are:

Impact – Increase the impact that our services have on the people we support.
Capacity – Increase capacity to deliver high-quality services.
Sustainability – Ensure the long-term sustainability by securing the support we need to keep us strong, and taking steps to ensure our environments, activities and organisation are fit for the future.
Growth – Grow the charity to increase the number of people who access our services.

The plan sets out the Trust vision:

'People with learning difficulties and disabilities have opportunities and choice and are supported to achieve their aspirations'.

The Trust's mission:

'To provide person centred services that enable individuals to develop skills and behaviours to live independent lives.'

The Trust will do this by developing a culture that embeds a "nothing about you without you" approach to shaping services and models of delivery with input from the people it supports.

We will continue to hold ourselves accountable for our progress in achieving our full priorities through internal monitoring and quarterly reporting to our Board of Trustees, as well as through the publication of an annual report.

ACHIEVEMENT AND PERFORMANCE

The following pages highlight some of our major achievements and challenges during 2022-23. In developing our strategy and accompanying activity plans, and in producing the annual report and accounts, the Trustees have given due consideration to the charity commissions for England and Wales published guidance on the public benefit requirement under the Charities Act 2011 as well as the work carried out by Linkage is consistent with charitable purposes as identified in the Charities Act 2011.

Impact

What we said we would do
We want to help people reach their own potential and be able to live the best lives possible. To do this we will:

- develop a culture that embeds a nothing about you without you approach across all our services.
- improve the consistency of our practices to ensure all teaching is effective, that learning outcomes are the best they can be and that active support enabling individuals to achieve their aspirations.
- improve the health and wellbeing of the people we support and our colleagues.
- become a learning organisation.
- increase the opportunities for accessing purposeful activities and employment.
- build effective partnerships.

What we did
In 2022-23 Linkage staff delivered over half a million hours of support to people living in our residential care, supported living and community services. We expanded our education provision offering 202 places to young people in our education provision and provided over 200,000 hours of support to people attending our day service opportunities.

We recruited a Head of Positive Behaviour Support to bring our positive behaviour support and active support models in house.

We revised our systems and processes to enhance the robustness of our data and developed Power Bi as a reporting tool to focus on monitoring risk and measuring the impact of our actions taken.

We procured and commenced the implementation of the Nourish Digital Care Solution gaining over £90,000 of grant funding to support this roll out.

We revised our data dashboard for Trustees in education incorporating the feedback we received from Ofsted this year and we completed a review of our rota system in preparation for the roll out of our Agile Working systems simplifying the coding and retraining our managers.

We developed our quality and practice processes to enable us to see real time information for our learning outcomes and developed out continuous improvement processes to focus on risk and evidence outstanding practice.

We introduced a sport curriculum offer in education and expanded the college enrichment offer with health-related activities for students.

We incorporated mental health awareness into our enrichment and tutorial deliveries, and we reviewed our clinical referral process and multi-disciplinary team processes.

We re-shaped our offer within Linkage Choices with sessional activities now planned by the people we support. Performing arts remains one of our most popular sessions and in July 2023 our team was proud to facilitate 100 plus people we support to provide a show to over 750 members of the public at the Grimsby Auditorium.

We have continued to make effective partnerships with our core strategic partners Lincolnshire, North East Lincolnshire and East Riding and have been closely working with the North East Lincolnshire ICB to share opportunities and good practice.

We became Rigid Power Tools charity partner of the year, gaining their support not only to provide employment placements for people with learning disabilities, autism, or both, but also raising valuable funds for the charity.

What we were not able to achieve
Linkage was unable to deliver some of the planned activities for 2022-23 due to limited capacity. We have had to prioritise projects throughout the year to ensure that we are best meeting the needs of the people who use our services.

We wanted to roll out our PBS Strategy and active support tools across all our services and models of delivery to deliver the best outcomes for our individuals.

Capacity

What we said we would do
We want to be recognised as a great place to work with opportunities for colleagues to learn and grow and develop to meet the changing needs of the people who use our services. To do this we will:

- recruit more people from a diverse range of communities and give them the best support so that they stay with us longer and we all work together effectively as one Linkage team.
- develop a highly skilled agile and flexible work force with a focus on lifelong learning.
- deploy our resources using a hub and spokes model to enable more efficient rota planning, aligned to efficient models for different types and complexities of services using leaner and improved systems and processes.
- utilise volunteers, dedication, passion, enthusiasm, experience and desire to make a difference to increase the scale and scope of what we do.

What we did this year
We recruited and developed over 221 new staff. Our comprehensive induction and training process enabled 48% of applicable new staff to complete the care certificate and their NVQ 2, with another 38% working towards their award.

We have successfully increased the diversity of our workforce and increased the number of male staff who provide direct frontline support from 22.64% in 2022 to 28.57% in 2023.

We have aligned our recruitment strategy to focus on specific areas of recruitment utilising data to enable us to quickly address current challenges and future needs.

We have created flexible recruitment initiatives and offered promotion opportunities for staff during the year.

We have re-introduced face to face training for many courses. 97% of all our staff now have completed their mandatory training within agreed time scales.

We have introduced a post incident review process to ensure staff are able to learn from events and put in place new strategies to prevent reoccurrence.

We have established a hub and spoke model to enable more efficient rota planning aligned to efficient delivery models for different types and complexities of services using leaner and improved systems and processes across our Care and Independence services.

We have developed risk and establishment data dashboards for all directorates to focus recruitment and resources in the areas that need the most and we have maximised delivery in Education through cross site teaching and learning.

We have developed a Friends of Weelsby Hall Group to focus on history research and fundraising for our Weelsby Hall Project focusing on the dedication, passion, enthusiasm and desire of volunteers to make a difference.

We have gained fundraising from UKSPF for a part time volunteer manager who will establish further opportunities for volunteer development across the Trust.

We have utilised work experience opportunities from local universities and higher education institutes including Bishop Grosseteste University, University of Lincoln and East Riding College and have successfully based on their positive experience recruited these individuals upon graduation into the Linkage workforce.

We have increased the percentage of commissioned hours delivered by 7.6%.

What we were not able to achieve
Linkage was unable to deliver some of the planned activities for 2022-23 due to limited capacity. We had to prioritise projects throughout the year to ensure that we are best meeting the needs of the people who use our services.

The development of a workforce plan that addresses both future and current needs was planned for this year but was delayed. It has taken longer than expected to establish a risk and establishment process where we align client support hours and staff availability across each area.

Sustainability

What we said we would do
We are working to ensure our long-term sustainability by securing the support we need to keep us strong and taking steps to ensure our environments, activities and organisation are fit for the future. We want to:

- be a financially strong charity, able to reinvest in our services and to create environments where people with learning disabilities, autism or both can flourish.
- diversify and strengthen our income streams by continuing to ensure the statutory entitlement for people and all our costs are covered through our fees.
- increase the efficiency of systems and processes, investing in digital systems solutions and processes to enable colleagues more active support through investment and technology systems and work flows to support the leaner processes.
- enhance our environments so they are energy efficient and fit for purpose.

What we did this year
We invested heavily in our digital solutions and procured the Nourish Digital Care System.

We procured and implemented a new finance system providing new reporting and opportunities for us to gain more accurate reporting and information.

We deployed Power Bi Dashboards including data on staffing resources and contracts on the people we support are maintaining property compliance data to all managers.

We updated our PlanDay rota system in conjunction with some of the new systems above to deliver Agile Working.

We undertook a fee review process with all care and independence commissioners to ensure that fees paid cover all our costs of delivery.

We continued to work with commissioners to look at alternative models for delivery of safe specialised sustainable services that add value and we have developed more longer-term supporters and trusts business families and others including the National Lottery Heritage Fund, Pilgrim Trust.

Our families have been extremely generous and donated funding and vehicles to improve the quality and opportunity for their loved ones.

We undertook a programme of investments and improvements to our residential housing including the replacement of kitchens and bathrooms, warm roofs on conservatories making them more usable spaces both in the heat of summer and in the cooler winter months.

We created an inclusive and sustainable project for Weelsby Hall and secured over £300,000 worth of funding from the National Heritage Fund, Pilgrim Trust, North East Lincolnshire Council towards the development stage of the project.

We rationalised our property portfolio disposing and seeking to dispose of properties that no longer fit the needs of the people we support, and we have invested in energy efficient solutions.

What we were not able to achieve
Linkage was unable to deliver some of the planned activities for 2022-23 due to limited capacity.

We were not able to progress our green agenda as far as we would have wished. We are continuing to work to reduce our carbon footprint by reducing the number of miles staff travel between sites, utilising technology and digital solutions. We have also been unable to engage with all commissioners to raise fees to an acceptable level in all areas. This work remains ongoing and will be a key focus for us in 2023-24 and we have not rolled out the new finance system to all managers as the project took longer to embed than was expected.

Growth

What we said we would do

We want to grow the charity and increase the number of people who access our services. Growth is important to us as a charity as it enables us to do more for more people. It builds up scale and when commercially viable it protects our long-term sustainability. We want to grow our services so that we can deliver more things for more people and be the 'go to' provider for young people and young adults, families and commissioners in our operating areas across Lincolnshire, East Riding, and our neighbouring counties. We will:

- build our reputation supporting people with learning disabilities and autism to lead more independent lives across all the communities in which we work.
- reach out to families and schools to take our services where and when people need them.
- expand opportunities and choice by providing more support to day opportunities, education and employment services in more locations so that more people can access them.
- expand long-term living opportunities, either directly or through partners we will provide accommodation to enable people to live their lives as they want.
- develop more services for young people.
- increase our offer to 16-17 year olds providing residential education and accommodation for those transitioning to adulthood and enabling those out of area to move back to their community.

What we did this year
We undertook an evaluation of our sensory bus and library's work over the last 3 years. During this time, we have supported:

- 300 people, partners, carers to have better coping strategies.
- Supported 668 beneficiaries who were able to learn and work together as a team.
- 668 beneficiaries were able to lead more independent lives.
- 300 families, carers and organisations felt better able to support those that they cared for.
- 668 beneficiaries were happier and healthier as a result.
- 3 volunteers felt they had more confidence, skills and were happier.

These activities had a positive impact, delivering a social return of £5.89 for each £1 invested in this area. Significant impact was in relation to good health and wellbeing and quality education.

We have developed our next marketing and communication strategy.

We have expanded our Choices Day opportunities in East Riding and now provide 10 places.

We have acquired a new property which is planned to open in mid-2024 to increase capacity to our Lincoln area providing accommodation for people to live their lives the way they wish.

What we were not able to achieve
Linkage was unable to deliver some of the planned activities for 2022-23 due to limited capacity. We had to prioritise projects throughout the year to ensure that we are best meeting the needs of the people who use our services.

We have yet to develop more services for young people. Through external evaluation we chose to close our children's and families worker service as this was not providing value for money and did not have the impact that we wanted.

GOVERNANCE AND MANAGEMENT

Trustees and Directors / The Board and its Sub-Committees
The Trust is governed by a Board of Trustees which meets eight times a year on a pre-planned basis, and more frequently if required. In addition the Board has an annual strategy day and Trustees receive financial and other updates between board meetings. All Trustees give of their time freely. Trustees are required to disclose all relevant interests and to withdraw from any decisions where a conflict of interest arises. No notice was received of any changes to Trustees interests in the year.

The Trustees who served the trust during the year are listed on page 1 of this report.

Recruitment and Appointment of New Trustees
Subject always to the requirements of the law and the Trust's Articles of Association, the Board is empowered to appoint as a trustee any person who is willing to act, either to fill a casual vacancy or by way of an addition to the Trustees.

Induction and Training of Trustees
A programme of induction and development has been available to all the Trustees, covering all the main features of the Trust's activities and the duties and responsibilities of Trustees. In addition most meetings of the Board are preceded by a Trustee Development Session, where presentations are made to the Trustees on various aspects of the Trust's activities and on developments in the environment in which the Trust operates.

Organisational Structure
Responsibility for each major area of activity (Care, Education and Finance) is delegated to what Linkage (but not Companies House) describes as a 'Director', each of whom reports to the Chief Executive. The Chief Executive and the Directors make up the Executive Leadership Team (ELT), which reports regularly and routinely to the Board of Trustees.

Remuneration of Key Management Personnel
The remuneration of key management personnel is reviewed on an annual basis by the Finance Committee.

Wider Networks Membership
The Trust is a full member of the Association of Colleges (providing an umbrella over the entire FE sector), the Association for Real Change (providing an umbrella over the care sector), the British Association for Supported Employment, the National Association for Special Educational Needs, the National Association of Specialist Further Education Colleges, the National Council of Voluntary Organisations, Voluntary Organisations Disability Group and the Lincolnshire Chamber of Commerce.

Key Stakeholders
Other organisations with which the Trust works closely include the Education and Skills Funding Agency, local authority Social Services and other departments, various inspection regimes (especially Ofsted and the Care Quality Commission) and a number of quality assurance organisations.

Working in Partnership
Both formally and informally, the Trust works closely and collaboratively with a wide range of other service providers, including mainstream and specialist FE colleges, housing associations, local authorities, other care providers and local employers, both individually and through a variety of professional networks.

Risk and Uncertainty
The Board of Trustees is ultimately responsible for Risk Management. The Board reviews key risks and the adequacy of mitigation actions on a regular basis. A comprehensive annual planning and budgeting process is approved by the Board during which a thorough assessment of key external and internal risks is undertaken. The Board also receives risk evaluations on any new major areas of activity. With the 2023-24 business year underway, we have implemented new and improved risk management framework which aims to take a deeper dive into our risk register and further embed risk management in the organisation. We have reviewed our risk appetite for growth and key projects are reviewed against this. This new approach is designed to enable the Board to express its high-level risk tolerance and to inform strategic choice and direction. Linkage understands the strong connection between risk management and risk assurance activities. Our top 7 high level retained risks are:

Risks	Mitigation
Loss of key staff	• Career pathways and succession planning developed • Implement management and leadership development programmes • Agree notice periods and handovers • Employ interim managers if necessary • Development operating procedures to mitigate failure from loss of key staff • The use of IT Systems to create standard processes, and having Digital Champions across the Organisation • Review and develop Recruitment and Retention policies and strategies - including periodic stay conversations, learning and development platform and benefits packages • Review of rewards and recognition of staff
Funding fails to keep up with the cost increases from external circumstances and political change	• Succession planning • Documented systems, plans and projects • Implement training programs • Review and agree recruitment processes • Promote successes and good news stories • Pro-active management and communication of change • Review individual service/location viability • Communicate openly with Funders/Commissioners • Driving efficiency through use of staff resources • Renegotiation of home Local Authority funding (Residential Care) • Use of LA Hardship Funds • Serving notice on unsustainable packages • Agile Working practices to increase efficiency

Potential financial unsustainability of Community Supported Living services	• All Work related to Q10, Q13 & Q14 which will support the recruitment and retention of workforce to enable the delivery of contracted CSL Hours • Continued focus on rota management in all CSL services • Regular monitoring of capacity vs contracted hours via the Risk and Establishment process • Continued discussions with LCC re staffing capacity and potential impacts • Agile workforce including Hub working to continue • Local managers managing local services to support better integration between CSL and Residential Care services
IT Systems failure, loss of data, cyber security attacks	• Review systems requirements • Agree update programme • Off-site back-ups to secure and protect data • Review security and virus protection systems • Insurance cover for insurable risks • Cyber Protection / Insurance; enhanced third party monitoring • BCP • IT Disaster Recovery Plan • Departmental Business Recovery Plans • Cyber Essentials Accreditation (Plus in future) • ISO 27001 accreditation in the future
Failure to recruit and retain staff	• Additional Human Resources resources specifically for recruitment and focus on Care staff • Improved induction and training programmes • Communication (drop-ins, Communication Matters, all-staff online briefings) • Flexible working where appropriate • Review and develop Recruitment and Retention policies and strategies - including periodic stay conversations, learning and development platform and benefits packages • Review of employee T&Cs (Agile working) • Use of PlanDay and Hub model to best deploy workforce • Work to improve funding/efficiency to enable Linkage to improve pay and conditions • Better marketing of employer branding • Consistent supervisions, 1:1s, appraisals, Team Meetings

Service Delivery Failure	• Staff pre-employment checks • Mandatory training programme • Whistle-blowing policy • Management and supervisory oversight of services • Safeguarding monitoring, reporting and follow-up action • Review of processes in light of experience • Malpractice insurance • Increased visibility, Head of Safeguarding/ Quality appointed • Incident reporting processes • Atlas reporting of key indicators rolled out to aid controls • Aligning services to audit and regulatory body requirements; Shaping services around stakeholder feedback and requirements
Safeguarding Failure	• Safeguarding policy and procedures • All staff trained in the principles of Safeguarding and Linkage Policy/Procedures • Ongoing review of safeguarding cases by Directors • Analysis of individual cases and overall trends by the Head of Quality and Safeguarding • Comprehensive audit and reporting • Continuous learning approach to safeguarding, adapting training and/or P&Ps following on from significant cases and/or identified trends

Public Benefit Reporting
When reviewing the Trust's objectives and aims and in planning future activities, the Trustees confirm that they have complied with relevant legislation and have paid due regard to guidance published by the Charity Commission. The Trustees have referred to the guidance and have aimed to summarise the activities in this report and to demonstrate that they have helped further the Trust's aims and objectives as detailed above.

LINKAGE STAFF

Major Achievements
The staff at Linkage remains its greatest asset. Their commitment to the education, care and welfare of the Trust's clients has remained consistently high. Year on year, the achievements of all the staff are reflected in personal targets and reviewed in annual appraisals. Performance against targets built into each service's operating plan is also monitored routinely and reviewed annually. During the period under review, the Trust's Care services continued to obtain consistently high grades from the Care Quality Commission and the Linkage College Ofsted maintained its rating of 'Good' with outstanding elements' in its last inspection.

Employee Involvement and Staff Development
Linkage has possessed Investor in People (IIP) status since November 1995, and was successfully re-assessed in 2017.

The Trust's commitment to training and development is considerable and seeks both to enhance the quality of its work and to maintain its enviable market position. Various means are employed to ensure that staff at all levels and at all sites are informed of and able to contribute to developments occurring across the organisation.

Although there is no formal trade union involvement, a Linkage-wide consultative body, the Staff Representatives Group, ensures staff have a voice, and assists the Executive Leadership Team in decision making.

Disabled Persons
The Trust's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Disabled employees receive appropriate training to facilitate and encourage career development. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts. The Trust continues to use and develop its commitment to the 'two ticks' disability symbol promoted by the Department for Work and Pensions.

FUTURE DEVELOPMENTS

Strategic Planning
The strategic plan has recently been updated for the five years from 2023 to 2028 by the Board of Trustees. The plan outlines the journey for the next five years and sets out clearly the Trust's vision, mission and values, and the actions the Trust will take to achieve its objectives.

FINANCIAL REVIEW

Summary of the Results for 31 August 2023
The Trust has continued to post a positive operating surplus for the year before property revaluations and actuarial gains of £714,358 (2022: £578,781).

The overall results for the year further include the effects of actuarial gains on defined benefit pension schemes and property revaluations. Net movement in funds for the year were £569,358 (2022: £1,200,781).

Reserves Policy
The Board of Trustees has reviewed its reserves policy and re-examined the Trust's requirements for free reserves in light of both the predominant risks to the Trust and its need for working capital. In completing this review Trustees analysed existing funds, assessed the reliability of future income streams, reviewed committed expenditure and the extent to which it is controllable and assessed the risk, to identify potential commitments and contingencies, together with the likelihood that these risks will materialise and give rise to new commitments. This assessment placed the minimum requirement of free reserves at £1.6million.

As at 31 August 2023, free reserves were £3,381,413 (2022: £3,635,492).

Principal Funding Sources
The Trust's principal funding source has always been the public purse: with various agencies of government funding its education and care services. In recent years, Linkage College has been funded by a succession of national funding agencies, most recently, the Education and Skills Funding Agency, but now with decision making and an important element of funding devolved to local authorities. Funding of Linkage's care services continues to be delivered by local authority social service departments.

Funds in Deficit
The Trustees are not aware of any funds being overspent. As the balance sheet illustrates, the Trust has assets which are sufficient to meet the Trust's obligations on a fund by fund basis. It is also worth noting that budgetary controls are in place which do not permit funds to go into deficit.

Fundraising Activities
For most of its history, the Trust has been able to rely upon fee income from activities. In recent years, however, it has become increasingly clear that, if the Trust wishes to maintain its pursuit of excellence and to benefit from opportunities to explore new markets and test new services, it will need to develop a non-fee based income stream. For this reason, it has embarked upon a fundraising campaign.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Investment Policy and Objectives
The Trustees' investment powers are prescribed in the Trust's Articles of Association. The Trustees are permitted to invest any monies of the Trust not immediately required for its purpose in or upon such investments, securities or property as the management committee shall think fit and is allowed by law. During the reporting period, the Trust's investment portfolio was managed by Kingswood Group (in association with JCH: Management Services Limited).

Internal and External Factors
The Trustees have made a full assessment of the internal and external factors that may affect these financial statements and do not deem any factors material enough to have an impact.

Funds held as Custodian for Others
Included in creditor balances is £559,783 (2022: £485,154) due to students and residents in respect of monies held on their behalf in bank accounts in the Trust's name. This amount is also included in the figure for cash at bank and in hand on the balance sheet.

Approved by order of the members of the board of Trustees on 26/04/2024 and signed on their behalf by:

Mr M A Smith
Chairman

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

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

Approved by order of the members of the Board of Trustees on 26/04/2024 and signed on its behalf by:



Mr M A Smith
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST

Opinion

We have audited the financial statements of Linkage Community Trust (the 'trust') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the trust through discussions with trustees and other management, and from our commercial knowledge and experience of the trust and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the trust, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST (CONTINUED)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed a sample of grants in the year to ensure accurate recognition;
- agreed a sample of fee income as being accurately invoiced and recognised;
- reviewed the claims of Government and local authority support to determine accuracy and eligibility;
- agreed a sample of employees on the trust payroll to existence and agreed the accuracy of their pay;
- assessed and reviewed the appropriateness and effectiveness of the key systems and controls;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the trust's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Anderson (Senior statutory auditor)
for and on behalf of
Streets Audit LLP
Chartered Accountants & Statutory Auditor
Tower House
Lucy Tower Street
Lincoln
LN1 1XW

Date: 29/04/2024

LINKAGE COMMUNITY TRUST

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Income from:					
Donations, grants and legacies:	4				
Donations		**5,321**	**44,414**	**49,735**	*31,855*
Grants		**318,870**	**-**	**318,870**	*507,361*
Charitable activities	6	**-**	**19,109,164**	**19,109,164**	*16,524,789*
Other trading activities	8	**902**	**20,910**	**21,812**	*34,380*
Total income		**325,093**	**19,174,488**	**19,499,581**	*17,098,385*
Expenditure on:					
Raising funds:	9				
Expenditure of voluntary income		**410,899**	**-**	**410,899**	*415,350*
Fundraising expenses		**-**	**50,635**	**50,635**	*91,625*
Charitable activities	10	**-**	**18,358,868**	**18,358,868**	*15,945,226*
Other expenditure	12	**-**	**(18,000)**	**(18,000)**	*(36,500)*
Total expenditure		**410,899**	**18,391,503**	**18,802,402**	*16,415,701*
Net (expenditure)/income before net gains/(losses) on investments		**(85,806)**	**782,985**	**697,179**	*682,684*
Net gains/(losses) on investments		**-**	**17,179**	**17,179**	*(103,903)*
Net (expenditure) / income		**(85,806)**	**800,164**	**714,358**	*578,781*
Transfers between funds	22	**(2,948,632)**	**2,948,632**	**-**	*-*
Net movement in funds before other recognised gains/(losses)		**(3,034,438)**	**3,748,796**	**714,358**	*578,781*
Other recognised gains/(losses):					
Actuarial gains on defined benefit pension schemes	28	**-**	**40,000**	**40,000**	*987,000*
Derecognition of defined benefit pension scheme surplus	28	**-**	**(185,000)**	**(185,000)**	*(365,000)*
Net movement in funds		**(3,034,438)**	**3,603,796**	**569,358**	*1,200,781*

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Reconciliation of funds:					
Total funds brought forward		**3,326,047**	**19,832,205**	**23,158,252**	*21,957,471*
Net movement in funds		**(3,034,438)**	**3,603,796**	**569,358**	*1,200,781*
Total funds carried forward		**291,609**	**23,436,001**	**23,727,610**	*23,158,252*

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

The notes on pages 27 to 54 form part of these financial statements.

LINKAGE COMMUNITY TRUST

(A company limited by guarantee)
REGISTERED NUMBER: 01240377

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible assets	16		**21,322,117**		*20,536,112*
			21,322,117		*20,536,112*
Current assets					
Debtors	18	**2,451,254**		*1,997,771*	
Investments	19	**2,393,540**		*2,376,361*	
Cash at bank and in hand		**861,285**		*2,530,504*	
		5,706,079		*6,904,636*	
Creditors: amounts falling due within one year	20	**(2,417,239)**		*(3,265,817)*	
Net current assets			**3,288,840**		*3,638,819*
Total assets less current liabilities			**24,610,957**		*24,174,931*
Creditors: amounts falling due after more than one year	21		**(883,347)**		*(1,016,679)*
Net assets excluding pension asset			**23,727,610**		*23,158,252*
Total net assets			**23,727,610**		*23,158,252*

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

	Note		2023 £		*2022 £*
Charity funds					
Restricted funds	22		**291,609**		*3,326,047*
Unrestricted funds					
Designated funds	22	**126,960**		*144,000*	
General funds	22	**17,940,620**		*14,319,784*	
Revaluation reserve		**5,368,421**		*5,368,421*	
Total unrestricted funds	22		**23,436,001**		*19,832,205*
Total funds			**23,727,610**		*23,158,252*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 26/04/2024 and signed on their behalf by:

Mr M A Smith
Chairman

The notes on pages 27 to 54 form part of these financial statements.

. **General funds analysis**

	2023 £	*2022 £*
Amounts Invested in Land and Buildings	**15,575,886**	*11,834,303*
Loans Secured on Property	**(1,016,679)**	*(1,150,011)*
Free Reserves	**3,381,413**	*3,635,492*
	17,940,620	*14,319,784*

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	2023 £	*2022* *£*
Cash flows from operating activities		
Net cash generated from / (used in) operating activities	**(645,831)**	*632,659*
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	**-**	*232,800*
Purchase of tangible fixed assets	**(890,056)**	*(553,757)*
Net cash used in investing activities	**(890,056)**	*(320,957)*
Cash flows from financing activities		
Repayments of borrowing	**(133,332)**	*(133,332)*
Net cash used in financing activities	**(133,332)**	*(133,332)*
Change in cash and cash equivalents in the year	**(1,669,219)**	*178,370*
Cash and cash equivalents at the beginning of the year	**2,530,504**	*2,352,134*
Cash and cash equivalents at the end of the year	**861,285**	*2,530,504*

The notes on pages 27 to 54 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. General information

The Trust is a charitable company limited by guarantee incorporated in England and Wales. The members of the company are the Trustees named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £1 per member of the Trust.

The Trust's registered office is Toynton Hall, Main Road, Toynton All Saints, Spilsby, Lincolnshire, PE23 5AE.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Linkage Community Trust 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.

2.2 Consolidation

These financial statements represent the figures of the Trust only. Consolidated financial statements have not been prepared on the basis that the subsidiary company is not material to the financial statements.

2.3 Income

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

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Trust's accounting policies.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes the direct costs incurred in relation to restricted voluntary income received.

Expenditure on charitable activities is incurred on undertaking the activities which further the Trust's objectives. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and an allocation of a corporate overhead.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Freehold Property is initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, a Trust may need to estimate fair value using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the Statement of financial activities, with a separate revaluation reserve being shown in the Statement of funds note.

Other tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold Property	- no depreciation - see below
Leasehold Property	- over the remaining lease term
Leasehold Improvement and Movable Buildings	- straight line over lease term and 10 years
Motor Vehicles	- straight line over 4 years
Fixtures and Fittings	- straight line over 3 years

Freehold Property is not depreciated on the grounds of immateriality. Freehold Property is subject to regular maintenance and repair such that in the Trustees opinion the residual value is not materially different from the value in the financial statements and has a long useful economic life. The Trustees consider the need for impairment at each period end.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

2.6 Debtors

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

2.7 Current asset investments

Investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

2.8 Cash at bank and in hand

Cash at bank and in hand represents amounts held in current bank accounts and petty cash balances.

2. Accounting policies (continued)

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.10 Financial instruments

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

2.11 Operating leases

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

2.12 Pensions

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

The Trust operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 August 2021.

2.13 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the Trust's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

The recoverability of trade debtors and associated provisioning is considered on a regular basis. When calculating the debtor provision, the Trustees review the age of the debts and the financial position of its service users.

The present value of the defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability.

4. Income from donations and legacies

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Donations	5,321	44,414	**49,735**	*31,855*
Grants	318,870	-	**318,870**	*507,361*
	324,191	44,414	**368,605**	*539,216*
Total 2022	*518,871*	*20,345*	*539,216*	

5. Analysis of grants

	2023 £	*2022 £*
ESFA Maintenance	**141,457**	*110,031*
Big Lottery Fund	**37,818**	*68,425*
Scottish Power	**-**	*47,695*
Children in Need	**17,982**	*27,922*
Help for Health	**8,000**	*47,000*
Forbes Trust	**-**	*12,500*
Tolkien Trust	**50,000**	*50,000*
ETF	**-**	*28,400*
Harris Trust	**-**	*20,000*
Heritage Lottery	**-**	*-*
Other	**63,613**	*95,388*
	318,870	*507,361*

6. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Education and Linkage Choices	6,333,560	**6,333,560**	*4,765,859*
Care	12,228,039	**12,228,039**	*11,265,970*
Employment	135,834	**135,834**	*142,409*
Corporate and Cafes	411,731	**411,731**	*350,551*
	19,109,164	**19,109,164**	*16,524,789*
Total 2022	*16,524,789*	*16,524,789*	

7. Analysis of income from charitable activities by category

	2023 £	2022 £
Education and Linkage Choices		
Fees Receivable	**6,115,925**	*4,620,160*
Training Outlet Income	**-**	*250*
Other Income	**158,006**	*145,449*
	6,273,931	*4,765,859*
Care		
Fees Receivable	**11,224,826**	*10,510,341*
Other Income	**749,241**	*755,629*
	11,974,067	*11,265,970*
Employment		
Fees Receivable	**135,834**	*142,409*
	135,834	*142,409*
Corporate and Cafes		
Fees Receivable	**-**	*35,738*
Training Outlet Income	**139,629**	*121,301*
Other Income	**272,102**	*193,512*
	411,731	*350,551*

8. Income from other trading activities

Income from fundraising events

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Income from Fundraising	902	20,910	**21,812**	*34,380*
Total 2022	*2,665*	*31,715*	*34,380*	

9. Expenditure on raising funds

Expenditure of voluntary income

	Restricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Other Costs	274,052	**274,052**	*233,121*
Payroll Costs	136,847	**136,847**	*182,229*
	410,899	**410,899**	*415,350*
Total 2022	*415,350*	*415,350*	

9. Expenditure on raising funds (continued)

Fundraising expenses

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Other Fundraising Costs	12,766	**12,766**	*12,940*
Fundraising Salaries	33,892	**33,892**	*69,813*
Fundraising National Insurance	3,007	**3,007**	*6,778*
Fundraising Pension	970	**970**	*2,094*
	50,635	**50,635**	*91,625*
Total 2022	*91,625*	*91,625*	

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Total 2023 £	*Total 2022 £*
Education and Linkage Choices	5,915,386	**5,915,386**	*4,383,810*
Care	11,799,649	**11,799,649**	*11,065,813*
Employment	232,102	**232,102**	*145,052*
Corporate and Cafes	411,731	**411,731**	*350,551*
	18,358,868	**18,358,868**	*15,945,226*
Total 2022	*15,945,226*	*15,945,226*	

11. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Corporate overhead allocation 2023 £	Total funds 2023 £	*Total funds 2022 £*
Education and Linkage Choices	5,048,835	866,551	**5,915,386**	*4,383,810*
Care	10,126,622	1,673,027	**11,799,649**	*11,065,813*
Employment	213,517	18,585	**232,102**	*145,052*
Corporate and Cafes	2,969,894	(2,558,163)	**411,731**	*350,551*
	18,358,868	-	**18,358,868**	*15,945,226*
Total 2022	*15,945,226*	-	*15,945,226*	

Analysis of direct costs

	Education and Linkage Choices 2023 £	Care 2023 £	Employment 2023 £	Corporate and Cafes 2023 £	Total funds 2023 £	*Total funds 2022 £*
Staff Costs	3,706,863	7,688,907	194,410	1,660,350	**13,250,530**	*12,146,563*
Other Direct Costs	1,341,972	2,437,715	19,107	1,309,544	**5,108,338**	*3,798,663*
	5,048,835	10,126,622	213,517	2,969,894	**18,358,868**	*15,945,226*
Total 2022	*3,754,721*	*9,578,124*	*126,254*	*2,486,127*	*15,945,226*	

12. Other expenditure

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Property Profit on Disposal	-	**-**	*(47,500)*
Pension Scheme - Interest on Liabilities	99,000	**99,000**	*59,000*
Pension Scheme - Interest on Assets	(117,000)	**(117,000)**	*(48,000)*
	(18,000)	**(18,000)**	*(36,500)*
Total 2022	*(36,500)*	*(36,500)*	

13. Auditors' remuneration

	2023 £	*2022 £*
Fees payable to the Trust's auditor and its associates for the audit of the Trust's annual accounts	**14,400**	*12,000*
Fees payable to the Trust's auditor and its associates in respect of:		
All non-audit services not included above	**3,600**	*3,570*
Fees payable to the Trust's auditor and its associates in connection with the Trust's pension scheme(s) in respect of:		
The auditing of accounts of the scheme(s)	**3,000**	*1,710*

14. Staff costs

	2023 £	*2022 £*
Wages and salaries	**12,169,502**	*11,249,287*
Social security costs	**937,431**	*868,684*
Contribution to defined contribution pension schemes	**318,313**	*289,506*
	13,425,246	*12,407,477*

Wages and salaries includes total ex-gratia, notice and redundancy payments of £29,425.

14. Staff costs (continued)

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

	2023 No.	*2022 No.*
Education and Adult Skills (Linkage Choices)	**128**	*125*
Care	**362**	*328*
Corporate Services	**60**	*59*
Bank Staff - Headcount	**66**	*79*
	616	*591*

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

	2023 No.	*2022 No.*
In the band £60,001 - £70,000	**2**	*2*
In the band £70,001 - £80,000	**2**	*2*
In the band £100,001 - £110,000	**-**	*1*
In the band £110,001 - £120,000	**1**	-

The key management personnel of the Trust are considered to be the senior leadership team. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Trust was £380,000 (2022 - £370,000).

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2022 - £NIL)*.

During the year ended 31 August 2023, expenses totalling £110 were reimbursed or paid directly to 1 Trustee *(2022 - £415)*. Expenses paid to Trustees related to the reimbursement of mileage.

16. Tangible fixed assets

	Freehold and Leasehold Property £	Leasehold Improvement and Moveable Buildings £	Motor Vehicles £	Fixtures and Fittings £	Total £
Cost or valuation					
At 1 September 2022	**20,125,329**	**217,233**	**738,162**	**2,543,719**	**23,624,443**
Additions	**824,261**	**-**	**107,795**	**-**	**932,056**
Disposals	**-**	**-**	**(14,019)**	**-**	**(14,019)**
At 31 August 2023	**20,949,590**	**217,233**	**831,938**	**2,543,719**	**24,542,480**
Depreciation					
At 1 September 2022	**5,083**	**51,126**	**610,260**	**2,421,862**	**3,088,331**
Charge for the year	**200**	**33,214**	**49,069**	**63,568**	**146,051**
On disposals	**-**	**-**	**(14,019)**	**-**	**(14,019)**
At 31 August 2023	**5,283**	**84,340**	**645,310**	**2,485,430**	**3,220,363**
Net book value					
At 31 August 2023	**20,944,307**	**132,893**	**186,628**	**58,289**	**21,322,117**
At 31 August 2022	*20,120,246*	*166,107*	*127,902*	*121,857*	*20,536,112*

Properties are revalued on a five-year cycle. Valuations have been carried out to revalue properties on a market value basis. The valuations were undertaken by suitably qualified independent valuers.

The Trust has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	2023 £	*2022 £*
Freehold property	**15,746,373**	*14,922,112*

17. Fixed asset investments

The Trust deems Linkage Trading Ltd a subsidiary undertaking due to the control it exerts over the company. The results for the subsidiary are not consolidated on the grounds of immateriality.

18. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	**1,264,522**	*828,778*
Amounts owed by group undertakings	**14,286**	*49,145*
Other debtors	**107,458**	*109,398*
Prepayments and accrued income	**1,064,988**	*1,010,450*
	2,451,254	*1,997,771*

Trade debtors are stated after provisions for bad debts and credit notes of £179,889 (2022 - £235,426).

19. Current asset investments

	2023 £	2022 £
Investment portfolio	**2,393,540**	*2,376,361*

During the year, the change in the market value of the investment portfolio resulted in a gain of £17,179 (2022 – loss of £103,903).

20. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	**133,332**	*133,332*
Trade creditors	**342,429**	*473,842*
Other taxation and social security	**270,350**	*224,400*
Student and resident monies held	**559,783**	*485,154*
Other creditors	**598,008**	*702,157*
Accruals and deferred income	**513,337**	*1,246,932*
	2,417,239	*3,265,817*

	2023 £	2022 £
Deferred income at 1 September	**951,113**	*1,043,854*
Resources deferred during the year	**197,922**	*261,799*
Amounts released from previous periods	**(913,493)**	*(354,540)*
Deferred income at 31 August	**235,542**	*951,113*

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

	2023 £	2022 £
Bank loans	**633,347**	*766,679*
Other loans	**250,000**	*250,000*
	883,347	*1,016,679*

Included within the above are amounts falling due as follows:

	2023 £	2022 £
Between one and two years		
Bank loans	**133,332**	*133,332*
Between two and five years		
Bank loans	**399,996**	*399,996*
Over five years		
Bank loans	**100,019**	*233,351*
Other loans	**250,000**	*250,000*

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2023 £	2022 £
Payable or repayable by instalments	**100,019**	*233,351*
Payable or repayable other than by instalments	**250,000**	*250,000*
	350,019	*483,351*

Bank loans are secured by legal charges over four freehold properties owned by the Trust with a total net book value of £4,535,000 (2022 - £4,535,000). The total bank loan balance of £766,679 (2022 - £900,011) is 17% (2022 - 20%) of the property value based on the most recent valuations.

The other loan is secured by a legal charge over one freehold property owned by the Trust which has a net book value of £275,000 (2022 - £275,000). The loan balance is 91% (2022 - 91%) of the value of the security held.

22. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted Funds						
Designated Funds						
Digitalisation Reserve	**144,000**	**-**	**(17,040)**	**-**	**-**	**126,960**
General Funds						
Free Reserves	**3,635,492**	**19,174,488**	**(18,392,263)**	**(1,053,483)**	**17,179**	**3,381,413**
Property Fund	**10,684,292**	**-**	**(200)**	**3,875,115**	**-**	**14,559,207**
Revaluation Reserve	**5,368,421**	**-**	**-**	**-**	**-**	**5,368,421**
Pension Reserve	**-**	**-**	**18,000**	**127,000**	**(145,000)**	**-**
	19,688,205	**19,174,488**	**(18,374,463)**	**2,948,632**	**(127,821)**	**23,309,041**
Total Unrestricted Funds	**19,832,205**	**19,174,488**	**(18,391,503)**	**2,948,632**	**(127,821)**	**23,436,001**

22. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Restricted Funds						
ESFA Maintenance	**168,574**	**141,457**	**(158,003)**	**-**	**-**	**152,028**
Bursary Funds	**43,183**	**36,694**	**(31,194)**	**-**	**-**	**48,683**
Sensory Bus	**57,001**	**49,621**	**(106,689)**	**4,000**	**-**	**3,933**
Children in Need	**-**	**17,982**	**(17,982)**	**-**	**-**	**-**
Tolkien Trust	**-**	**50,000**	**(41,000)**	**(9,000)**	**-**	**-**
Help for Health	**3,828**	**8,000**	**(11,828)**	**-**	**-**	**-**
Other Restricted Funds	**108,095**	**21,339**	**(37,469)**	**(5,000)**	**-**	**86,965**
Fixed Assets Acquired	**2,945,366**	**-**	**(6,734)**	**(2,938,632)**	**-**	**-**
	3,326,047	**325,093**	**(410,899)**	**(2,948,632)**	**-**	**291,609**
Total of Funds	**23,158,252**	**19,499,581**	**(18,802,402)**	**-**	**(127,821)**	**23,727,610**

22. Statement of funds (continued)

Unrestricted Funds:
For clarity of presentation, the Trustees choose to show the value of property and the accumulated gains and losses as separate funds. Free Reserves above therefore represents the accumulated surplus on charitable activities.

Restricted Funds:
Most of the Trust's income is in the form of fees but it also receives grants and raises funds for specific purposes. These restricted funds are described below:

ESFA Maintenance - represents funding received from the Education and Skills Funding Agency ("ESFA") to be spent on the maintenance of educational facilities.

Bursary Fund - represent funds provided by the ESFA to financially support young people in learning.

Sensory Bus - relates to funding provided by the Big Lottery Fund and other donors for the continued running costs of the charity's Sensory Bus.

Tolkien Trust - relates to funding provided to cover the core costs of the charity.

Other Restricted Funds - relate to other grants and donations from funders and individuals which are subject to restrictions imposed by the donor.

Material Transfers:

A material transfer has been recognised in the year to transfer the NBV of fixed assets acquired with restricted funds to unrestricted funds on the basis that the trustees have confirmed that a restriction no longer exists.

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2021 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2022* £
Unrestricted Funds						
Designated Funds						
Digitalisation Reserve	*144,000*	-	-	-	-	*144,000*
General Funds						
Free Reserves	*3,323,710*	*16,576,849*	*(15,853,933)*	*(307,231)*	*(103,903)*	*3,635,492*
Property Fund	*10,568,533*	-	*(135,418)*	*251,177*	-	*10,684,292*
Revaluation Reserve	*5,418,203*	-	-	*(49,782)*	-	*5,368,421*
Pension Reserve	*(745,000)*	-	*(11,000)*	*134,000*	*622,000*	-
	18,565,446	*16,576,849*	*(16,000,351)*	*28,164*	*518,097*	*19,688,205*
Total Unrestricted Funds	*18,709,446*	*16,576,849*	*(16,000,351)*	*28,164*	*518,097*	*19,832,205*

22. Statement of funds (continued)

	Balance at 1 September 2021 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2022* £
Restricted Funds						
ESFA Maintenance	*122,093*	*110,031*	*(63,550)*	-	-	*168,574*
Bursary Funds	*19,305*	*42,890*	*(19,012)*	-	-	*43,183*
Sensory Bus	*46,886*	*122,535*	*(112,420)*	-	-	*57,001*
Forbes Trust	*6,002*	*12,500*	*(18,502)*	-	-	-
Children in Need	*8,381*	*27,922*	*(36,303)*	-	-	-
Tolkien Trust	-	*50,000*	*(50,000)*	-	-	-
Baily Thomas	*4,507*	-	*(1,104)*	*(3,403)*	-	-
Help for Health	-	*47,000*	*(16,510)*	*(26,662)*	-	*3,828*
ETF	-	*28,400*	*(28,400)*	-	-	-
Other Restricted Funds	*117,930*	*80,258*	*(59,332)*	*(30,761)*	-	*108,095*
Fixed Assets Acquired	*2,922,921*	-	*(10,217)*	*32,662*	-	*2,945,366*
	3,248,025	*521,536*	*(415,350)*	*(28,164)*	-	*3,326,047*
Total of Funds	*21,957,471*	*17,098,385*	*(16,415,701)*	-	*518,097*	*23,158,252*

23. Summary of funds

Summary of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Designated funds	**144,000**	**-**	**(17,040)**	**-**	**-**	**126,960**
General funds	**19,688,205**	**19,174,488**	**(18,374,463)**	**2,948,632**	**(127,821)**	**23,309,041**
Restricted funds	**3,326,047**	**325,093**	**(410,899)**	**(2,948,632)**	**-**	**291,609**
	23,158,252	**19,499,581**	**(18,802,402)**	**-**	**(127,821)**	**23,727,610**

Summary of funds - prior year

	Balance at 1 September 2021 £	*Income £*	*Expenditure £*	*Transfers in/out £*	*Gains/ (Losses) £*	*Balance at 31 August 2022 £*
Designated funds	*144,000*	-	-	-	-	*144,000*
General funds	*18,565,446*	*16,576,849*	*(16,000,351)*	*28,164*	*518,097*	*19,688,205*
Restricted funds	*3,248,025*	*521,536*	*(415,350)*	*(28,164)*	-	*3,326,047*
	21,957,471	*17,098,385*	*(16,415,701)*	-	*518,097*	*23,158,252*

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	21,322,117	**21,322,117**
Current assets	315,655	5,390,424	**5,706,079**
Creditors due within one year	(24,046)	(2,393,193)	**(2,417,239)**
Creditors due in more than one year	-	(883,347)	**(883,347)**
Total	291,609	23,436,001	**23,727,610**

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Restricted funds 2022 £	*Unrestricted funds 2022* £	*Total funds 2022* £
Tangible fixed assets	*2,945,366*	*17,590,746*	*20,536,112*
Current assets	*487,478*	*6,417,158*	*6,904,636*
Creditors due within one year	*(106,797)*	*(3,159,020)*	*(3,265,817)*
Creditors due in more than one year	-	*(1,016,679)*	*(1,016,679)*
Total	*3,326,047*	*19,832,205*	*23,158,252*

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

	2023 £	*2022* £
Net income for the year (as per Statement of Financial Activities)	**714,358**	*578,781*
Adjustments for:		
Depreciation charges	**146,051**	*149,305*
(Gain) / loss on investments	**(17,179)**	*103,903*
Loss/(profit) on the sale of fixed assets	**-**	*(47,800)*
Increase in debtors	**(453,483)**	*(244,980)*
Increase/(decrease) in creditors	**(848,578)**	*216,450*
Net pension finance cost	**(18,000)**	*11,000*
Contributions to defined benefit pension schemes	**(127,000)**	*(134,000)*
Donated fixed assets	**(42,000)**	-
Net cash provided by/(used in) operating activities	**(645,831)**	*632,659*

26. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	**301,502**	*2,045,350*
Residents money bank accounts	**559,783**	*485,154*
Total cash and cash equivalents	**861,285**	*2,530,504*

27. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	Changes in market value £	Other non-cash changes £	At 31 August 2023 £
Cash at bank and in hand	**2,530,504**	**(1,669,219)**	**-**	**-**	**861,285**
Debt due within 1 year	**(133,332)**	**133,332**	**-**	**(133,332)**	**(133,332)**
Debt due after 1 year	**(1,016,679)**	**-**	**-**	**133,332**	**(883,347)**
Liquid investments	**2,376,361**	**-**	**17,179**	**-**	**2,393,540**

28. Pension commitments

Linkage Community Trust operates two separate pension schemes - a Group Savings Plan and an Executive Pension Plan. The assets of both schemes are held separately from those of the Trust in independently administered funds.

Group Savings Plan:
The Group Savings Plan is a defined contribution scheme. The pension cost in the accounts represents the total pension cost for the year which amounted to £318,313 (2022 - £289,506).

The Trust operates a defined benefit pension scheme.

Executive Pension Plan:
This is a defined contribution plan with underlying guarantees of a defined benefit nature. It is therefore accounted for in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The scheme is closed to further accrual of benefits. At 31 August 2023, the scheme makes payments to six pensioners.

The following disclosures are taken from the report prepared as at 31 August 2023 by Barnett Waddingham LLP, the Plan's actuary.

28. Pension commitments (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2023 %	*At 31 August 2022 %*
Discount Rate	**5.35**	*4.30*
Retail Prices Index (RPI) Inflation	**3.50**	*3.80*
LPI Pension Increases	**3.60**	*3.60*
Assumed Percentage of Pension Taken as Tax Free Cash	**20.00**	*20.00*

	At 31 August 2023 Years	*At 31 August 2022 Years*
Mortality rates (in years)		
- for a male aged 65 now	**22.0**	*22.0*
- at 65 for a male aged 45 now	**23.7**	*23.6*
- for a female aged 65 now	**24.5**	*24.5*
- at 65 for a female aged 45 now	**26.2**	*26.2*

The Trust's share of the assets in the scheme was:

	At 31 August 2023 £	*At 31 August 2022 £*
Cash	**130,000**	*161,000*
Funds	**1,596,000**	*1,573,000*
Insured Assets	**910,000**	*1,018,000*
Total fair value of assets	**2,636,000**	*2,752,000*

The actual return on scheme assets was £(72,000) *(2022 - £(251,000))*.

The amounts recognised in the Statement of financial activities are as follows:

	2023 £	*2022 £*
Interest on assets	**(117,000)**	*(48,000)*
Interest on liabilities	**99,000**	*59,000*
Total amount recognised in the Statement of financial activities	**(18,000)**	*11,000*

28. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2023 £
Opening defined benefit obligation	**2,387,000**
Changes to actuarial assumptions	**(229,000)**
Benefits paid	**(171,000)**
Interest on liabilities	**99,000**
Closing defined benefit obligation	**2,086,000**

Movements in the fair value of the Trust's share of scheme assets were as follows:

	2023 £
Opening fair value of scheme assets	**2,752,000**
Interest on assets	**117,000**
Return on assets less interest	**(189,000)**
Contributions	**127,000**
Benefits paid	**(171,000)**
Closing fair value of scheme assets	**2,636,000**

The actuarial report valued a pension scheme surplus of £550,000 as set out by the disclosures above. This balance has not been recognised on the basis that the balance is not deemed to be recoverable through reduced contributions in the future or through refunds from the plan.

29. Operating lease commitments

At 31 August 2023 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	*2022* *£*
Not later than 1 year	**55,032**	*60,800*
Later than 1 year and not later than 5 years	**117,875**	*172,907*
	172,907	*233,707*

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2023 £	*2022* *£*
Operating lease rentals	**60,800**	*55,599*

30. Related party transactions

Linkage Trading Ltd:

Linkage Trading Ltd is a company limited by guarantee which is controlled by Linkage Community Trust.

The Trust processes payroll on behalf of the company and receives other minor income and expenses. Total expenses and repayments resulted in a net repayment in the year of £16,631 (2022 - £1,400).

In addition, the company charges the Trust a management fee for marketing services provided. The charge for the year was £18,228 (2022 - £15,277)

The balance outstanding at the year-end is £14,286 (2022 - £49,145) and included within amounts owed by group undertakings.

Chase & Holland Recruitment Limited:

Chase & Holland Recruitment Limited is a company in which Mrs B L Findlay is a director and person with significant control. Mrs B L Findlay resigned as a trustee of the charity on 17 October 2022.

The company provided recruitment services to the Trust during the period in which Mrs B L Findlay was a trustee. The total amount charged to the Trust up to the trustee's resignation was £2,304.

The total amount charged to the Trust during the previous year was £14,961 with a balance of £6,600 outstanding at 31 August 2022 which was included in trade creditors.

The company was used for recruitment services prior to her appointment as trustee and subsequent to her resignation. The trustee was not involved in any related decision-making.

31. Post balance sheet events

Post year-end, the Trustees approved the repayment of the Trust bank loan through an agreed increase of its overdraft facilities.

THE LINKAGE COMMUNITY TRUST LIMITED

England & Wales - Charity number 504913

Accounts

Registered number: 01240377
Charity number: 504913

LINKAGE COMMUNITY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

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LINKAGE COMMUNITY TRUST

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2022

Trustees	Mr A T Bake (resigned 27 April 2022) Mr K J Batty Professor S F Brown (resigned 27 April 2022) Mrs B L Findlay (appointed 30 November 2021, resigned 17 October 2022) Mrs E Hadley (appointed 30 November 2021) Professor M C Hannay (resigned 26 January 2022) Mr S J Hatchman Mrs C Jervis (resigned 27 July 2022) Mrs S Kane (resigned 20 October 2021) Mr D Reed (resigned 24 January 2023) Mrs S M Simpson Mr M A Smith, Chairman Mrs K I Truscott Mrs S Wood (appointed 19 January 2023)
Company Registered Number	01240377
Charity Registered Number	504913
Registered Office	Toynton Hall Main Road Toynton All Saints Spilsby Lincolnshire PE23 5AE
Independent Auditors	Streets Audit LLP Chartered Accountants & Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW
Bankers	Lloyds Bank plc High Street Lincoln LN5 7AP
Solicitors	Bridge McFarland LLP 9 Cornmarket Louth Lincolnshire LN11 9PY
Investment Advisers	jch: investment management limited 1 Henley Way Doddington Road Lincoln LN6 3QR

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

The Chairman presents their statement for the year.

I am very pleased to report another successful year for Linkage Community Trust. However, during the year, the Trust experienced ongoing challenges as the world emerged from the COVID-19 pandemic.

From late 2021 the Board of Trustees began work to develop a Corporate Strategy for 2023-2028 entitled “Nothing about you without you”. 2022 saw engagement with staff, clients and other stakeholders before this was approved with the vision that the trust will continue to commit to ensuring that people with learning disabilities, autism or both have opportunities and choice and are supported to achieve their aspirations.

The Trust remains focussed on its mission to "provide person centred services that enable individuals to develop skills and behaviours and to live independent lives”. The new Strategy identifies four pillars to underpin the Trust’s Vision and to deliver success: Impact, Capacity, Sustainability and Growth.

In a difficult financial environment, the Trust remains in a good financial position and achieved a successful financial result in the year thanks to continued control of costs and efficiency gains. The Trust maintains strong relationships with numerous Local Authorities and other funding bodies across the United Kingdom. Relationships with Lincolnshire County Council, North East Lincolnshire Council and East Riding Council are key in successfully delivering high quality services to meet the targets of all stakeholders and needs of clients.

The Trust’s Residential Care and Community Supported Living provisions served 170 residential clients and over 130 Supported Living Clients. The Estates Strategy developed in the previous year continued to see investment in a number of residential care locations. Keal View (at Toynton-all-Saints) saw development of en suite facilities in all of it bedrooms. Ferriby Lane (in Grimsby) underwent a significant refurbishment during 2022, as the Trust looks to provide high quality environments. Numerous other improvements to facilities such as kitchens and bathrooms took place across the Trust.

Of note in Education, learners moved into their new state-of-the-art facilities at Flemingate, Beverley in the East Riding of Yorkshire, having spent an initial year in adjacent temporary accommodation. The new campus has seen landlord Wykeland Properties carry out development of formerly derelict property in the town centre with partnership from Linkage to deliver facilities for its learners. Grant funding was secured to supplement the Trust’s reserves and produce high end facilities including independence kitchen, sensory rooms, ICT suites and performing arts room complete with sprung floor.

July 2022 saw the return of a Graduation Ceremony in the magnificent setting of Grimsby Minster. Learners from all four campuses and their families celebrated success with some inspiring stories around their journey with Linkage.

The Adult Skills Day Service saw a rebrand in 2021 and become known as Linkage Choices, to reflect the opportunities and choices that the new offer brings to the people we support. A new management team was developed to improve the quality of the service and to work closely with Linkage’s services within Care and Education, as well as growing numbers of external people accessing the service. Summer 2022 saw plans to open a new hub for Linkage Choices at Beverley, growing Linkage’s offer from its new Flemingate campus.

In June 2022, Linkage Choices was delighted to be able to present its annual show for the first time since 2019 at Skegness’ Embassy Theatre. ‘One World’ saw clients from across the Trust showpiece their performing arts skills during a two-hour show to an audience of over 300 people.

CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

The Employment service had very limited opportunities to support clients and learners into employment and work-based experiences. 18 people we support engaged with employers in paid employment – below our expectation. Our employment team have continued to build on relationships with local employers which will assist us in securing more employment in future years. The existing contract with Lincolnshire County Council, delivering their STEP (Specialist Tailored Employment Partnership) programme, was also extended to ensure opportunities would be available as the pandemic and its restrictions lift.

The Trust's five year Digitalisation plan launched in 2019 and continues to develop. Recent work has focussed on the use of cloud technology to change the way staff work in terms of communication and storing / sharing data. Cyber Security remains a key risk. The Trust has recently achieved the Government's Cyber Essentials accreditation and continues to investigate how it can minimise cyber security.

The Board decided in 2020/21 that the Trust would focus some of its activity supporting people with higher acuity levels of care need. Work on business planning and on locating the first location for dwellings has taken place throughout the past year within Lincolnshire and surrounding areas. The Trust has now identified a piece of land on the edge of Hull and will embark on a conversion of an existing barn and construction of individual dwellings in the near future. Work continues around the original plan to source and develop up to six similar facilities over the next five years. The Trust continues to actively source and investigate local land and buildings as possible opportunities for all of its services.

The recruitment and retention of skilled and quality staff has become a significant issue to Linkage over the past year, as it has across other organisations in the care and education sectors and beyond.

I would like to thank all of our staff for their hard work and dedication, often in difficult circumstances which have all made a contribution towards Linkage's achievements in the past year.



Mr M A Smith
Date: 25 May 2023

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the audited financial statements of the Trust for the year 1 September 2021 to 31 August 2022. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

STRUCTURE

The Trust is both a company limited by guarantee as defined by the Companies Act 2006 and a registered charity. Its governing document is the Articles of Association adopted on 1 May 2019.

OBJECTIVES AND ACTIVITIES

Aims and Objectives

The objects of the Trust are set out in the Articles of Association. More specifically, the Trust provides specialist further education, residential care and community support, adult skills and a range of employment services which, taken together, are intended to enable people with learning difficulties and other disabilities to realise their full potential and achieve independence. There has been no substantive change in the charitable objects during the period under review.

Significant Activities

During the year, the Trust operated from college campuses in Toynton, Grimsby and Lincoln, residential and day care services based in Toynton, Scremby, Skegness, Louth, Grimsby, Alford, Lincoln and Mablethorpe. It also operated from more than 30 ‘satellites’ (residential care homes, student residences, workshops, cafes etc) situated in East Lindsey, North East Lincolnshire and the City of Lincoln.

Related Parties

Linkage Trading Limited is a company limited by guarantee established in the year 2000 to provide a vehicle for the conduct of commercial activities that support, promote or otherwise enhance the aims and objectives of the Trust.

Linkage Trading Limited is governed by its own board of directors, although by deed of covenant dated 30 March 2001, the whole of the annual surplus of Linkage Trading Limited, if any, is to be paid to the Trust. An option deed dated 30 March 2001 exists whereby at any time Linkage Community Trust has the right to acquire the assets and undertakings of Linkage Trading Limited.

ACHIEVEMENT AND PERFORMANCE

Linkage Community Trust continues to strive to reach and bring choice and opportunity to as many individuals as possible. In order to do this it provides a number of core services in order to maximise its offer to the communities it serves. An overview of their activities during this period is provided below.

Education (Lifelong Learning)

Throughout 2021/22, the college continued to develop its curriculum and provide greater opportunity and choice for its learners, particularly as previous Covid restrictions were lifted and the college could return to “normal” activities on a face-to-face basis. Linkage learners continued to develop their skills, achieve their goals, and meet many of their aspirations.

Highlights / achievements:

- The college continued to grow, representing our commissioning Local Authorities' confidence in the quality of the learners' experience. The college has now doubled in size compared to 4 years ago. Linkage is now the third largest Independent Specialist College in the country.
- There was a successful pilot of the new "Discovery Suite" at our Lincoln Campus. The impact of this way of learning within an immersive classroom environment was so positive in developing learners' communication, dexterity, co-ordination and academic skills that we have taken the decision to establish the "Discovery Suite" learning environment at all campuses. An East Riding facility will be established in 2022/2023 and Weelsby and Toynton in 2023/2024.
- Learners at all campuses enjoyed both a Sports Day and Graduation Ceremony.
- The college also established a Sensory Room at the Toynton and East Riding campuses with a similar facility planned at the Lincoln Campus in the summer of 2023.
- The college's achievement rates are nearly back to the 'Outstanding' level they were pre-pandemic.
- The college were short-listed to the final 3 in the Natspec's National Award for Partnership Working for our work with Fair Trade and the local homeless shelter in Grimsby project where our Catering learners cook meals from the Fair Trade charity food donation and serve it to the homeless.

The impact of the strategies the college has adopted, the fantastic efforts of all teams at every level, the further development of opportunity and choice for learners, and the positive effects of a wide, broad curriculum meant the college has improved further as a Specialist Further Education provider. During 2021/22, the college further developed curriculum planning and introduced Games Development, Music Technology and Relationship & Sex Health Education (RSHE) into its core offer.

The monumental efforts and resourcefulness of the college's staff teams ensured learner achievement rates of 92%. This outstanding achievement maintained Linkage College's stature in the top 5% of specialist colleges nationally.

Linkage College is in good financial health. The financial element of the college is managed well and prioritises spending on areas that directly and positively influence learners' experiences. In 2021/22, the college used its ESFA Capital funding to develop and repair its internal and external learning environments. This included renovating the Conservatory at the Weelsby Campus, updating the Independence Suite and adding a Sensory Room at the Toynton Campus, internal building work at the Lincoln Campus to create a Sensory space and increasing the availability of mobile IT devices for all staff in supporting digital learning.

Due to well-planned and monitored financial management the college's budget delivered a surplus of £193,000.

The college's bursary and discretionary bursary allocations have supported learners, ensuring that their choices and achievements are unaffected by their vulnerability or social background. Bursary payments have supported learners' access to education, appropriate specialist clothing for their vocational studies and a range of assistive technology equipment which have removed barriers to learning.

Employability Service
The vision of the Employability Service is to provide opportunities, experiences and key skills that will support clients and learners to engage with a variety of employment opportunities. The team works to ensure that the person-centred service provided increases the opportunity for all those that we support to access paid employment. It offers the wrap-around care and support for employability that increases independence and helps maintain positive employer relationships.

Due to the continued outbreak of COVID and to Linkage implementing their Business Continuity Plan, learners and clients were withdrawn from the workplace, and the STEP Programme (Specialist Tailored Employment Partnership) was temporarily suspended.

The service provided remote guidance on developing key employment skills through online workshops where appropriate, and ensured that we maintained our employer engagement during this time. As a result, we have proactively re-established the employability service post-pandemic, re-engaging with our employers, and supporting our clients in accessing the support they need to return to employment, volunteer activities, work experience and internships.

Successes to date include:

- Post-pandemic: 20 clients were supported to safely re-engage in work experience and voluntary placements.
- A further 24 clients were supported to return to paid employment.
- Fifty-three clients were actively engaged in the STEP Programme during the year to 31st August 2022. Whilst the STEP Programme has now finished, we have continued to engage with these clients and have established robust working relationships with the stakeholders involved in the programme. Linkage Employability Service is signposted by these stakeholders to provide support in the absence of the programme.
- Our partnership work with local employers, such as Pipe Tools Specialists, continues to increase the support and experiences for those we support into paid employment.
- Learners re-engaged with work experience opportunities across all four campuses, completing Information Advice & Guidance sessions, skills workshops, work experience reviews and achieved positive outcomes within Education Health & Care Plan reviews.

Moving forward, the service is looking at developing the apprenticeship and supported internship provisions; including Project Search, where Linkage is the education lead working with NHS Grimsby as the host business. This initiative supports young adults with a learning disability as interns with placements in different departments at the hospital, with the aim of securing paid employment once the internship ends. In addition to this, there will be new initiatives that focus upon increasing our partnership work with local employers; developing our transitional support to learners and clients moving from education to adult services and/or employment; and increasing our engagement with Access to Work funding. Through this, we will endeavour to support more of our learners and clients into paid employment.

Linkage Choices
September 2021 to August 2022 was a very exciting year for Linkage Choices, and one built on new opportunities and experiences for our clients. Following the continued disruption of COVID, we have now welcomed back our clients and closely supported them in returning to the ‘new normal’. Despite the challenges COVID has presented, client numbers have continued to increase steadily. We are now exceeding the Lincolnshire County Council contractual agreement of 200 clients and engaging with 265 clients across three sites; an increase of 6%.

Early 2022 saw the introduction of our new Senior Management Team, with the appointment of a Head of Day Services as we reviewed the way our day services operate. With the new senior team in place, we delivered upon an exciting re-brand of our services in June 2022, moving from our old name of ‘Adult Skills’ to ‘Linkage Choices’. The re-branding of our name to Linkage Choices will be the start of a piece of work that will reflect the wider range of choices and opportunities we will be offering through the day service; whilst also reflecting that the service is client-led, driven by choices and opportunities.

Linkage Choices has continued to engage with clients and deliver a range of meaningful activities. To support this, activity sessions are reviewed on a quarterly basis and are aligned to the seasons of the year. One of the highlights of the year was the delivery of the Linkage show ‘One World’ at the Embassy Theatre in June 2022. Linkage took over the theatre to present a spectacular musical performance, delivered to families, carers, staff, professionals and the public. The show was an excellent opportunity to highlight the achievements and talents of our performing arts clients across all of our services.

Care and Independence
Care Services comprises Residential Care and Community Support. During the period under review Care Services served almost 156 clients within its 23 residential care homes and 120 clients through its Community Support service.

Community Support services supports clients in the community either in their own private accommodation or in managed properties provided through our ongoing partnership work with Platform Housing and Local Housing Authorities.

The last year has focused on supporting our services to come out of the pandemic and starting to reintegrate in the local areas. Some of our clients have needed additional support to re-engage in their local community, and this has been supported by working in partnership with relevant stakeholders. The care team have worked closely with our Linkage Choices day services to ensure that the clients had a wide variety of meaningful activities available to them.

We have continued to face challenges from COVID and at various points we have needed to take decisive actions to limit the spread of an outbreak, working closely with the Local Health Protection teams to minimise the risk to others. This has led to us delivering more activities in-house as and when a house was required to lock down. The staff team and clients involved have adapted well and the wider care team have demonstrated consistent high levels of teamwork through testing time.

We have continued to review, develop and implement new ways of working. Each local area now operates as a Hub sharing staffing resource across the local services, which enables the services to demonstrate higher levels of resilience in relation to staffing. We have successfully relaunched our clinical referral pathway, which enables services to refer a client for additional support around communication, sensory and Positive Behaviour Support planning. We continue to strengthen our processes around Incidents and Quality, and this is ensuring the appropriate people know about issues as and when they arise.

We have continued in our aspiration to provide services rated as ‘Outstanding’ by the Care Quality Commission across our care provision. Our three registrations previously rated as ‘outstanding’ have maintained that rating. One service was found on inspection by CQC to be ‘inadequate’: this was for a variety of reasons that have been promptly addressed and the service has made the required improvements. This work was carried out in partnership with the Local Authority, which has since signed off all actions on the improvement plan. The service in question is now awaiting re-inspection.

We continue to review our estate and during the last year have closed three services that were deemed not able to meet the future needs of our clients. We are in the process of redeveloping other homes and acquiring a new home in Lincoln. Alongside this, we have identified land on which to start the development of new complex care services. This work will enable us to provide homes suitable for current and future clients, who may have additional complexities to those we have previously supported.

The Trust has continued on its journey to digitise systems and processes that will directly benefit and modernise the service it provides for the people we support. This will enable the Trust to be as efficient as possible with its resources, as well as ensuring that clients have all the accessible technology in place they need to lead an engaged, interactive and independent life. We are currently in the procurement phase of a digital social care records system with a view to rollout of the system commencing in 2023.

Digitalisation
The 2019-2024 Digitalisation Strategy vision is that:

"Linkage will become a people first, digitally enabled charity that places our clients and learners at the heart of everything we do, providing them with the choices and opportunities to be supported in the way they wish. To do this, Linkage will be supported by technology that enables our services to be delivered effectively and efficiently. This will be enabled by skilled and knowledgeable staff and partners, who deliver quality, drive value and seek to continually improve."

The intention of the Digitalisation Strategy was to deliver this transformation over a 5-year period, 2019-2024. This update covers progress since Board approved the strategy (v07) in November 2019 up until December 2022, a little over 3 years.

The impact of the pandemic has caused delay, and as a result, we are delivering this strategy approximately 18 months behind the original plan, with variations at level of area and project. Despite this, firm foundations are now established in many areas and with a strong Digitalisation Board oversight, substantial progress has been made.

Successes to date include:

- Implementation of a digital rostering system (Planday) across Care (2021), Education and Linkage Choices (2022) for support worker and deputy support worker (or equivalent) roles.
- Launching a Virtual Learning Environment (Moodle) across all College campuses.
- Implementation of an Estates Management System (Fixflo).
- Piloting of Teams and SharePoint with a number of corporate teams and Linkage Choices.
- Achieving Cyber Essentials accreditation and 'met standards' for the DSPT (NHS Data and Security Protection Toolkit) enabling Linkage to apply for NHS Digital funding in support of a Digital Social Care Record system (DSCR).
- Secured a digital finance system that is currently being implemented.

To ensure staff are fully supported to embrace change, we have recruited departmental digital champions. This, together with a supportive roll out including face-to-face training, has meant staff benefit from peer support, and use their digital champions to develop the level of literacy required to work with different systems, processes and procedures. The implementation of Planday and Fixflo means all staff have now had at least one experience of the transition to a more effective digital solution.

Linkage Outreach Project (Sensory Bus / Library)
The project delivers work in schools, care homes, early years' groups and community settings on a Sensory Bus. We also loan sensory equipment and deliver LEGO®-based therapy.

Although proceeding cautiously because of COVID, the service made a significant increase in its delivery against that in 2020/2021 and only lost one week's delivery because of infection. The Sensory Bus worked in 16 schools and 2 nursing homes delivering a taster day and 6 following days to each, and also delivered work with the Interim SEND team. The Sensory Bus and Library reached 390 children and adults.

Evaluation showed:

85% having improved communication
80% sharing activities on the bus
69% better able to be calm and relaxed
83% better able to concentrate, and
97% happier.

Some of these percentages are lower than previously which may reflect children taking more time to settle after the disruption of COVID. For the first time we have had children on the bus that the schools have said have mental health issues such as anxiety.

During the school summer holidays the bus worked with 11 Children's Centres, 3 Community Groups, 1 specialist play scheme, 2 children's homes, 1 nursing home and 5 Linkage Care settings effectively re-establishing itself in the community.

Loans from the Sensory Library continued throughout, with the greatest benefit remaining the opportunity for families to try out equipment to see what worked for their children to help them decide what would be worth purchasing.

New initiatives for the year were: setting up two temporary Sensory Rooms in a Toy Library and a school so they could see how much difference these would make to their children – both have now created permanent ones: and reaching out to Home Schooling families.

Our plans for the next financial period are: to continue to deliver the current services and to build on the work we have started helping settings to create their own affordable Sensory Rooms. We also intend to develop closer links with families home schooling their children.

Children & Families Development Worker
During the period to summer 2022, the Children and Families Development Worker (Young Futures Project) supported 110 young people and their families through face-to-face visits, telephone, email and attending Team Around the Child (TAC), Early Support and Care Coordination (ESCO), Children In Need (CIN), Special Educational Needs (SEN) and Primary Care Physician (PCP) meetings.

Assistance has been offered to parents and carers to complete referral forms for community paediatric services, to request an Education, Health and Care Needs Assessment (EHCNA), to apply for Disability Living Allowance, family funding, and to complete Early Help Assessments and referrals to a specialist nurse.

There has been a rise in the number of requests for observations of young people in schools, which parents have then shared with professionals to provide insight for their child. A trial bespoke holiday club for young people at Fun Farm in Spalding with a quieter and calmer environment enabled young people to have fun and explore the play equipment without the anxiety usually caused by the noise and activity level when attending sessions open to the public.

The project has offered advice, information and guidance; helped implement strategies; worked alongside charities, professionals, local authorities, schools and specialists to ensure that young people's needs are met and has advocated for them in situations where they are unable to do so themselves.

GOVERNANCE AND MANAGEMENT

Trustees and Directors / The Board and its Sub-Committees
The Trust is governed by a Board of Trustees which meets six times a year on a pre-planned basis, and more frequently if required. In addition the Board has an annual strategy day and Trustees receive financial and other updates between board meetings. All Trustees give of their time freely. Trustees are required to disclose all relevant interests and to withdraw from any decisions where a conflict of interest arises. No notice was received of any changes to Trustees' interests in the year. In addition to meeting as a full board, Trustees also contribute to the governance process through the Care and Employment, Education and Finance Committees.

The Trustees who served the Trust during the year are listed on page 1 of this report.

Recruitment and Appointment of New Trustees
Subject always to the requirements of the law and the Trust's Articles of Association, the Board is empowered to appoint as a trustee any person who is willing to act, either to fill a casual vacancy or by way of an addition to the Trustees.

Induction and Training of Trustees
A programme of induction and development has been available to all the Trustees, covering all the main features of the Trust's activities and the duties and responsibilities of Trustees. In addition most meetings of the Board are preceded by a Trustee Development Session, where presentations are made to the Trustees on various aspects of the Trust's activities and on developments in the environment in which the Trust operates.

Organisational Structure
Responsibility for each major area of activity (Care, Education and Finance) is delegated to what Linkage (but not Companies House) describes as a 'Director', each of whom reports to the Chief Executive. The Chief Executive and the Directors make up the Senior Management Team (SMT), which reports regularly and routinely to the Board of Trustees.

Remuneration of Key Management Personnel
The remuneration of key management personnel is reviewed on an annual basis by the Finance Committee.

Wider Networks Membership
The Trust is a full member of the Association of Colleges (providing an umbrella over the entire FE sector), the Association for Real Change (providing an umbrella over the care sector), the British Association for Supported Employment, the National Association for Special Educational Needs, the National Association of Specialist Further Education Colleges, the National Council of Voluntary Organisations, Voluntary Organisations Disability Group and the Lincolnshire Chamber of Commerce.

Key Stakeholders
Other organisations with which the Trust works closely include the Education and Skills Funding Agency, local authority Social Services and other departments, various inspection regimes (especially Ofsted and the Care Quality Commission) and a number of quality assurance organisations (such as Investors in People).

Working in Partnership
Both formally and informally, the Trust works closely and collaboratively with a wide range of other service providers, including mainstream and specialist FE colleges, housing associations, local authorities, other care providers and local employers, both individually and through a variety of professional networks.

Risk Management
The Trustees are satisfied that adequate systems are in place to identify and manage those risks to which the Trust is from time to time exposed.

External Risks
The funding of further education for those with a learning disability has been in a state of flux for a number of years. The functions of the Learning and Skills Council were transferred to the Young Persons Learning Agency ("YPLA") in April 2010 and then to the Education and Skills Funding Agency in April 2012. In 2011 the allocation of funds from YPLA was largely transferred to local authorities and in 2013 funding of general and independent specialist further education changed again with local authorities gaining greater powers, although broadly putting the funding of general and independent specialist further education colleges on a very similar basis.

Potential students, particularly from outside Lincolnshire, are finding it increasingly difficult to obtain funding, especially for residential placements and for tuition on more than three days per week.

Those who secure funding for a place at the Trust's college are tending to present with more complex needs and require significant levels of support. To address this issue the college is implementing and will continue to seek more flexible models of staff employment.

Costs continue to rise throughout the Trust, due to inflation, increases in the minimum wage and the National Living Wage, but, in past years, income has not matched that, with very few commissioners agreeing to increases in fees, and indeed with decline in average College fees. The Trust continues to make efficiency gains.

The Trust is required to operate within a regulatory environment that is also continually changing.

For these reasons and others, strategic plans have been reviewed, and it is the Trust's intention to permit and encourage the diversification of each of the Trust's core services (Education, Care and Employment), to take those services 'out of county' and to provide opportunities for the generation of non-fee based income through targeted funding and fundraising campaigns.

Internal Risks
The Board always ensures that the Trust has strong 'control procedures' in place to safeguard its assets. At a governance level, these include a formal programme of trustee induction and development, bi-monthly board meetings, the inclusion of 'standing items' on each board meeting's agenda (including equality and diversity, health and safety, safeguarding and legal compliance), a formal review of board information needs and the committee structure which permits increased delegation of board-level scrutiny.

Financial Risk
Financial risk is minimised by the strict adherence to policies and of procedures governing all aspects of financial management. These policies and procedures are regularly and routinely reviewed to ensure that they continue to meet the needs of the Trust.

Risk Assessment
The Board has adopted a corporate risk management framework that enables the Trustees to monitor the status of identified risks to the Trust, to be assured that suitable plans and provisions are made by management and to be associated regularly and routinely with the production of a corporate risk register. Given the vulnerable nature of the Trust's service users, risk assessment is an integral part of the day-to-day activity of many staff and managers. It is the higher level, strategic risk analysis that is the current focus of the Board of Trustees and the Executive Management Team.

Public Benefit Reporting
When reviewing the Trust's objectives and aims and in planning future activities, the Trustees confirm that they have complied with relevant legislation and have paid due regard to guidance published by the Charity Commission. The Trustees have referred to the guidance and have aimed to summarise the activities in this report and to demonstrate that they have helped further the Trust's aims and objectives as detailed above.

LINKAGE STAFF

Major Achievements

The staff at Linkage remains its greatest asset. Their commitment to the education, care and welfare of the Trust's clients has remained consistently high. Year on year, the achievements of all the staff are reflected in personal targets and reviewed in annual appraisals. Performance against targets built into each service's operating plan is also monitored routinely and reviewed annually. During the period under review, the Trust's Care services continued to obtain consistently high grades from the Care Quality Commission and the Linkage College Ofsted maintained its rating of 'Good' with outstanding elements' in its last inspection.

Employee Involvement and Staff Development

Linkage has possessed Investor in People (IIP) status since November 1995, and was successfully re-assessed in 2017.

The Trust's commitment to training and development is considerable and seeks both to enhance the quality of its work and to maintain its enviable market position. Various means are employed to ensure that staff at all levels and at all sites are informed of and able to contribute to developments occurring across the organisation.

Although there is no formal trade union involvement, a Linkage-wide consultative body, the Staff Representatives Group, ensures staff have a voice, and assists the Executive Leadership Team in decision making.

Disabled Persons

The Trust's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Disabled employees receive appropriate training to facilitate and encourage career development. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts. The Trust continues to use and develop its commitment to the 'two ticks' disability symbol promoted by the Department for Work and Pensions.

FUTURE DEVELOPMENTS

Strategic Planning

The strategic plan has recently been updated for the five years from 2023 to 2028 by the Board of Trustees. The plan outlines the journey for the next five years and sets out clearly the Trust's vision, mission and values, and the actions the Trust will take to achieve its objectives.

Key Objectives

The plan sets out the Trust vision:

'People with learning difficulties and disabilities have opportunities and choice and are supported to achieve their aspirations'.

The Trust's mission:

'To provide person centred services that enable individuals to develop skills and behaviours to live independent lives.'

The Trust will do this by developing a culture that embeds a "nothing about you without you" approach to shaping services and models of delivery with input from the people it supports.

The plan sets out four pillars to underpin this:

Impact – Increase the impact that our services have on the people we support.
Capacity – Increase capacity to deliver high-quality services.
Sustainability – Ensure the long-term sustainability by securing the support we need to keep us strong, and taking steps to ensure our environments, activities and organisation are fit for the future.
Growth – Grow the charity to increase the number of people who access our services.

FINANCIAL REVIEW

Summary of the Results for 31 August 2022

Despite the challenging financial background of the pandemic, the Trust continued to post a positive operating surplus for the year before property revaluations and actuarial gains of £578,781 (2021: £940,069).

The overall results for the year further include the effects of actuarial gains on defined benefit pension schemes, which were significant in 2021/22 due to changes in financial assumptions, and also property revaluations. Net movement in funds for the year were £1,200,781 (2021: £1,896,041).

Reserves Policy

The Board of Trustees has reviewed its reserves policy and re-examined the Trust's requirements for free reserves in light of both the predominant risks to the Trust and its need for working capital. In completing this review Trustees analysed existing funds, assessed the reliability of future income streams, reviewed committed expenditure and the extent to which it is controllable and assessed the risk, to identify potential commitments and contingencies, together with the likelihood that these risks will materialise and give rise to new commitments. This assessment placed the minimum requirement of free reserves at £1.5million.

As at 31 August 2022, free reserves were £3,635,492 (2021: £3,323,710) based upon calculations which exclude the unrealised pension liability.

Principal Funding Sources

The Trust's principal funding source has always been the public purse: with various agencies of government funding its education and care services. In recent years, Linkage College has been funded by a succession of national funding agencies, most recently, the Education and Skills Funding Agency, but now with decision making and an important element of funding devolved to local authorities. Funding of Linkage's care services continues to be delivered by local authority social service departments.

Funds in Deficit

The Trustees are not aware of any funds being overspent. As the balance sheet illustrates, the Trust has assets which are sufficient to meet the Trust's obligations on a fund by fund basis. It is also worth noting that budgetary controls are in place which do not permit funds to go into deficit.

Fundraising Activities

For most of its history, the Trust has been able to rely upon fee income from activities. In recent years, however, it has become increasingly clear that, if the Trust wishes to maintain its pursuit of excellence and to benefit from opportunities to explore new markets and test new services, it will need to develop a non-fee based income stream. For this reason, it has embarked upon a fundraising campaign.

Investment Policy and Objectives

The Trustees' investment powers are prescribed in the Trust's Articles of Association. The Trustees are permitted to invest any monies of the Trust not immediately required for its purpose in or upon such investments, securities or property as the management committee shall think fit and is allowed by law. During the reporting period, the Trust's investment portfolio was managed by jch: management services Limited.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Internal and External Factors
The Trustees have made a full assessment of the internal and external factors that may affect these financial statements and do not deem any factors material enough to have an impact.

Funds held as Custodian for Others
Included in creditor balances is £485,154 (2021: £482,547) due to students and residents in respect of monies held on their behalf in bank accounts in the Trust's name. This amount is also included in the figure for cash at bank and in hand on the balance sheet.

Approved by order of the members of the Board of Trustees on 25 May 2023 and signed on their behalf by:

Mr M A Smith
Chairman

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

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

Approved by order of the members of the Board of Trustees on 25 May 2023 and signed on its behalf by:

Mr M A Smith
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST

Opinion

We have audited the financial statements of Linkage Community Trust (the 'trust') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the trust through discussions with trustees and other management, and from our commercial knowledge and experience of the trust and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the trust, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the trust’s financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST (CONTINUED)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed a sample of grants in the year to ensure accurate recognition;
- agreed a sample of fee income as being accurately invoiced and recognised;
- reviewed the claims of Government and local authority support to determine accuracy and eligibility;
- agreed a sample of employees on the trust payroll to existence and agreed the accuracy of their pay;
- assessed and reviewed the appropriateness and effectiveness of the key systems and controls;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the trust's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

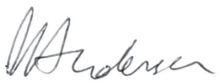
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Anderson (Senior statutory auditor)
for and on behalf of
Streets Audit LLP
Chartered Accountants & Statutory Auditor
Tower House
Lucy Tower Street
Lincoln
LN1 1XW

26 May 2023

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Income from:					
Donations, grants and legacies:	4				
Donations		**31,510**	**345**	**31,855**	*38,147*
Grants		**487,361**	**20,000**	**507,361**	*366,252*
Charitable activities	6	**-**	**16,524,789**	**16,524,789**	*15,185,996*
Other trading activities	8	**2,665**	**31,715**	**34,380**	*35,111*
Total income		**521,536**	**16,576,849**	**17,098,385**	*15,625,506*
Expenditure on:					
Raising funds:	9				
Expenditure of voluntary income		**415,350**	**-**	**415,350**	*388,956*
Fundraising expenses		**-**	**91,625**	**91,625**	*102,485*
Charitable activities	10	**-**	**15,945,226**	**15,945,226**	*14,636,872*
Other expenditure	12	**-**	**(36,500)**	**(36,500)**	*(124,411)*
Total expenditure		**415,350**	**16,000,351**	**16,415,701**	*15,003,902*
Net income before net (losses)/gains on investments		**106,186**	**576,498**	**682,684**	*621,604*
Net (losses)/gains on investments		**-**	**(103,903)**	**(103,903)**	*318,465*
Net income		**106,186**	**472,595**	**578,781**	*940,069*
Transfers between funds	22	**(28,164)**	**28,164**	**-**	*-*
Net movement in funds before other recognised gains/(losses)		**78,022**	**500,759**	**578,781**	*940,069*
Other recognised gains/(losses):					
Gains on revaluation of fixed assets		**-**	**-**	**-**	*912,972*
Actuarial gains on defined benefit pension schemes	28	**-**	**987,000**	**987,000**	*43,000*
Derecognition of defined benefit pension scheme surplus	28	**-**	**(365,000)**	**(365,000)**	*-*
Net movement in funds		**78,022**	**1,122,759**	**1,200,781**	*1,896,041*

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Reconciliation of funds:					
Total funds brought forward		**3,248,025**	**18,709,446**	**21,957,471**	*20,061,430*
Net movement in funds		**78,022**	**1,122,759**	**1,200,781**	*1,896,041*
Total funds carried forward		**3,326,047**	**19,832,205**	**23,158,252**	*21,957,471*

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

The notes on pages 26 to 51 form part of these financial statements.

LINKAGE COMMUNITY TRUST

(A company limited by guarantee)
REGISTERED NUMBER: 01240377

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note		2022 £		*2021 £*
Fixed assets					
Tangible assets	16		**20,536,112**		*20,316,660*
			20,536,112		*20,316,660*
Current assets					
Debtors	18	**1,997,771**		*1,752,791*	
Investments	19	**2,376,361**		*2,480,264*	
Cash at bank and in hand		**2,530,504**		*2,352,134*	
		6,904,636		*6,585,189*	
Creditors: amounts falling due within one year	20	**(3,265,817)**		*(3,049,367)*	
Net current assets			**3,638,819**		*3,535,822*
Total assets less current liabilities			**24,174,931**		*23,852,482*
Creditors: amounts falling due after more than one year	21		**(1,016,679)**		*(1,150,011)*
Net assets excluding pension asset / liability			**23,158,252**		*22,702,471*
Defined benefit pension scheme asset / liability	28		**-**		*(745,000)*
Total net assets			**23,158,252**		*21,957,471*

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

	Note		2022 £		2021 £
Charity funds					
Restricted funds	22		**3,326,047**		*3,248,025*
Unrestricted funds					
Designated funds	22	**144,000**		*144,000*	
General funds	22	**14,201,939**		*13,892,243*	
Revaluation reserve		**5,486,266**		*5,418,203*	
Unrestricted funds excluding pension asset	22	**19,832,205**		*19,454,446*	
Pension reserve	22	**-**		*(745,000)*	
Total unrestricted funds	22		**19,832,205**		*18,709,446*
Total funds			**23,158,252**		*21,957,471*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 25 May 2023 and signed on their behalf by:

Mr M A Smith
Chairman

The notes on pages 26 to 51 form part of these financial statements.

. **General funds analysis**

	2022 £	2021 £
Amounts Invested in Land and Buildings	**11,716,458**	*11,851,876*
Loans Secured on Property	**(1,150,011)**	*(1,283,343)*
Free Reserves	**3,635,492**	*3,323,710*
	14,201,939	*13,892,243*

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	2022 £	*2021* *£*
Cash flows from operating activities		
Net cash used in operating activities	**632,659**	*859,069*
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	**232,800**	*330,850*
Purchase of tangible fixed assets	**(553,757)**	*(79,125)*
Net cash (used in)/provided by investing activities	**(320,957)**	*251,725*
Cash flows from financing activities		
Repayments of borrowing	**(133,332)**	*(133,332)*
Net cash used in financing activities	**(133,332)**	*(133,332)*
Change in cash and cash equivalents in the year	**178,370**	*977,462*
Cash and cash equivalents at the beginning of the year	**2,352,134**	*1,374,672*
Cash and cash equivalents at the end of the year	**2,530,504**	*2,352,134*

The notes on pages 26 to 51 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1. General information

The Trust is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £1 per member of the Trust.

The Trust's registered office is Toynton Hall, Main Road, Toynton All Saints, Spilsby, Lincolnshire, PE23 5AE.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Linkage Community Trust 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.

2.2 Consolidation

These financial statements represent the figures of the Trust only. Consolidated financial statements have not been prepared on the basis that the subsidiary company is not material to the financial statements.

2.3 Income

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

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes the direct costs incurred in relation to restricted voluntary income received.

Expenditure on charitable activities is incurred on undertaking the activities which further the Trust's objectives. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and an allocation of a corporate overhead.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Freehold Property is initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, a Trust may need to estimate fair value using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the Statement of financial activities, with a separate revaluation reserve being shown in the Statement of funds note.

Other tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold Property	- no depreciation - see below
Leasehold Property	- over the remaining lease term
Leasehold Improvement and Movable Buildings	- straight line over lease term and 10 years
Motor Vehicles	- straight line over 4 years
Fixtures and Fittings	- straight line over 3 years

Freehold Property is not depreciated on the grounds of immateriality. Freehold Property is subject to regular maintenance and repair such that in the Trustees opinion the residual value is not materially different from the value in the financial statements and has a long useful economic life. The Trustees consider the need for impairment at each period end.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

2.6 Debtors

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

2.7 Current asset investments

Investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliabily in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading ‘Gains/(losses) on investments’ in the Statement of Financial Activities.

2.8 Cash at bank and in hand

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

2. Accounting policies (continued)

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.10 Financial instruments

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

2.11 Operating leases

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

2.12 Pensions

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

The Trust operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 August 2022.

2.13 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the Trust's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

The recoverability of trade debtors and associated provisioning is considered on a regular basis. When calculating the debtor provision, the Trustees consider the age of the debts and the financial position of its service users.

The present value of the defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability.

4. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Donations	31,510	345	**31,855**	*38,147*
Grants	487,361	20,000	**507,361**	*366,252*
	518,871	20,345	**539,216**	*404,399*
Total 2021	*400,333*	*4,066*	*404,399*	

5. Analysis of grants

	2022 £	*2021 £*
ESFA Maintenance	**110,031**	*99,471*
Big Lottery Fund	**68,425**	*85,774*
Scottish Power	**47,695**	*-*
Children in Need	**27,922**	*34,717*
Help for Health	**47,000**	*-*
Forbes Trust	**12,500**	*25,000*
Tolkien Trust	**50,000**	*50,000*
ETF	**28,400**	*-*
Harris Trust	**20,000**	*-*
Heritage Lottery	**-**	*29,900*
Other	**95,388**	*41,390*
	507,361	*366,252*

6. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Education and Adult Skills	4,765,859	**4,765,859**	*3,692,600*
Care	11,265,970	**11,265,970**	*11,286,381*
Employment	142,409	**142,409**	*39,746*
Corporate and Cafes	350,551	**350,551**	*167,269*
	16,524,789	**16,524,789**	*15,185,996*
Total 2021	*15,185,996*	*15,185,996*	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

7. Analysis of income from charitable activities by category

	2022 £	*2021 £*
Education and Adult Skills		
Fees Receivable	**4,620,160**	*3,591,025*
Training Outlet Income	**250**	*250*
Other Income	**145,449**	*101,325*
	4,765,859	*3,692,600*
Care		
Fees Receivable	**10,510,341**	*10,746,605*
Other Income	**755,629**	*539,776*
	11,265,970	*11,286,381*
Employment		
Fees Receivable	**142,409**	*39,746*
	142,409	*39,746*
Corporate and Cafes		
Fees Receivable	**35,738**	-
Training Outlet Income	**121,301**	*159,829*
Other Income	**193,512**	*7,440*
	350,551	*167,269*

8. Income from other trading activities

Income from fundraising events

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Income from Fundraising	2,665	31,715	**34,380**	*35,111*
Total 2021	*300*	*34,811*	*35,111*	

9. Expenditure on raising funds

Expenditure of voluntary income

	Restricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Other Costs	233,121	**233,121**	*201,959*
Payroll Costs	182,229	**182,229**	*186,997*
	415,350	**415,350**	*388,956*
Total 2021	*388,956*	*388,956*	

9. Expenditure on raising funds (continued)

Fundraising expenses

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Other Fundraising Costs	12,940	**12,940**	*12,601*
Fundraising Salaries	69,813	**69,813**	*80,078*
Fundraising National Insurance	6,778	**6,778**	*7,404*
Fundraising Pension	2,094	**2,094**	*2,402*
	91,625	**91,625**	*102,485*
Total 2021	*102,485*	*102,485*	

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £	*Total 2021 £*
Education and Adult Skills	4,383,810	**4,383,810**	*3,392,309*
Care	11,065,813	**11,065,813**	*10,992,598*
Employment	145,052	**145,052**	*84,696*
Corporate and Cafes	350,551	**350,551**	*167,269*
	15,945,226	**15,945,226**	*14,636,872*
Total 2021	*14,636,872*	*14,636,872*	

11. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Corporate overhead allocation 2022 £	Total funds 2022 £	*Total funds 2021 £*
Education and Adult Skills	3,754,721	629,089	**4,383,810**	*3,392,309*
Care	9,578,124	1,487,689	**11,065,813**	*10,992,598*
Employment	126,254	18,798	**145,052**	*84,696*
Corporate and Cafes	2,486,127	(2,135,576)	**350,551**	*167,269*
	15,945,226	-	**15,945,226**	*14,636,872*
Total 2021	*14,636,872*	-	*14,636,872*	

Analysis of direct costs

	Education and Adult Skills 2022 £	Care 2022 £	Employment 2022 £	Corporate and Cafes 2022 £	Total funds 2022 £	*Total funds 2021 £*
Staff Costs	2,830,533	7,806,697	108,776	1,400,557	**12,146,563**	*11,428,302*
Other Direct Costs	924,188	1,771,427	17,478	1,085,570	**3,798,663**	*3,208,570*
	3,754,721	9,578,124	126,254	2,486,127	**15,945,226**	*14,636,872*
Total 2021	*2,910,639*	*9,511,887*	*79,447*	*2,134,899*	*14,636,872*	

12. Other expenditure

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Property Impairment	-	**-**	*(154,690)*
Property Profit on Disposal	(47,500)	**(47,500)**	*(55,000)*
Pension Scheme - Interest on Liabilities	59,000	**59,000**	*63,000*
Pension Scheme - Interest on Assets	(48,000)	**(48,000)**	*(51,000)*
Write-Off of Subsidiary Loan Balance	-	**-**	*73,279*
	(36,500)	**(36,500)**	*(124,411)*
Total 2021	*(124,411)*	*(124,411)*	

13. Auditors' remuneration

	2022 £	*2021 £*
Fees payable to the Trust's auditor and its associates for the audit of the Trust's annual accounts	**12,000**	*11,600*
Fees payable to the Trust's auditor and its associates in respect of:		
Taxation compliance services	**-**	*900*
All non-audit services not included above	**3,570**	*2,800*
Fees payable to the Trust's auditor and its associates in connection with the Trust's pension scheme(s) in respect of:		
The auditing of accounts of the scheme(s)	**1,710**	*1,650*

14. Staff costs

	2022 £	*2021* *£*
Wages and salaries	**11,249,287**	*10,659,931*
Social security costs	**868,684**	*770,005*
Contribution to defined contribution pension schemes	**289,506**	*275,247*
	12,407,477	*11,705,183*

Wages and salaries includes total ex-gratia, notice and redundancy payments of £13,848.

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

	2022 No.	*2021* *No.*
Education and Adult Skills (Linkage Choices)	**125**	*112*
Care	**328**	*353*
Corporate Services	**59**	*47*
Bank Staff - Headcount	**79**	*75*
	591	*587*

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

	2022 No.	*2021* *No.*
In the band £60,001 - £70,000	**2**	*2*
In the band £70,001 - £80,000	**2**	*1*
In the band £100,001 - £110,000	**1**	*1*

The key management personnel of the Trust are considered to be the senior leadership team. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Trust was £370,000 (2021 - £379,000).

15. Trustees' remuneration and expenses

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

During the year ended 31 August 2022, expenses totalling £415 were reimbursed or paid directly to 3 Trustees *(2021 - £nil)*. Expenses paid to Trustees related to the reimbursement of mileage.

16. Tangible fixed assets

	Freehold and Leasehold Property £	Leasehold Improvement and Moveable Buildings £	Motor Vehicles £	Fixtures and Fittings £	Total £
Cost or valuation					
At 1 September 2021	**20,192,484**	**17,905**	**601,371**	**2,457,836**	**23,269,596**
Additions	**117,845**	**199,328**	**150,701**	**85,883**	**553,757**
Disposals	**(185,000)**	**-**	**(13,910)**	**-**	**(198,910)**
At 31 August 2022	**20,125,329**	**217,233**	**738,162**	**2,543,719**	**23,624,443**
Depreciation					
At 1 September 2021	**4,883**	**17,905**	**573,956**	**2,356,192**	**2,952,936**
Charge for the year	**200**	**33,221**	**50,214**	**65,670**	**149,305**
On disposals	**-**	**-**	**(13,910)**	**-**	**(13,910)**
At 31 August 2022	**5,083**	**51,126**	**610,260**	**2,421,862**	**3,088,331**
Net book value					
At 31 August 2022	**20,120,246**	**166,107**	**127,902**	**121,857**	**20,536,112**
At 31 August 2021	*20,187,601*	*-*	*27,415*	*101,644*	*20,316,660*

Properties are revalued on a five-year cycle. Valuations have been carried out to revalue properties on a market value basis. The valuations were undertaken by suitably qualified independent valuers.

The Trust has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	2022 £	*2021 £*
Freehold property	**14,804,267**	*14,939,485*

17. Fixed asset investments

The Trust deems Linkage Trading Ltd a subsidiary undertaking due to the control it exerts over the company. The results for the subsidiary are not consolidated on the grounds of immateriality.

18. Debtors

	2022 £	*2021* *£*
Due within one year		
Trade debtors	**828,778**	*569,268*
Amounts owed by group undertakings	**49,145**	*50,545*
Other debtors	**109,398**	*87,828*
Prepayments and accrued income	**1,010,450**	*1,045,150*
	1,997,771	*1,752,791*

Trade debtors are stated after provisions for impairment of £235,426 (2021 - £184,660).

19. Current asset investments

	2022 £	*2021* *£*
Investment portfolio	**2,376,361**	*2,480,264*

During the year, the change in the market value of the investment portfolio resulted in a loss of £103,903 (2021 – gain of £318,465).

20. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	**133,332**	*133,332*
Trade creditors	**473,842**	*375,620*
Other taxation and social security	**224,400**	*199,854*
Student and resident monies held	**485,154**	*482,547*
Other creditors	**702,157**	*465,779*
Accruals and deferred income	**1,246,932**	*1,392,235*
	3,265,817	*3,049,367*

	2022 £	2021 £
Deferred income at 1 September	**1,043,854**	*633,272*
Resources deferred during the year	**261,799**	*860,844*
Amounts released from previous periods	**(354,540)**	*(450,262)*
Deferred income at 31 August	**951,113**	*1,043,854*

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

	2022 £	*2021 £*
Bank loans	**766,679**	*900,011*
Other loans	**250,000**	*250,000*
	1,016,679	*1,150,011*

Included within the above are amounts falling due as follows:

	2022 £	*2021 £*
Between one and two years		
Bank loans	**133,332**	*133,332*
Between two and five years		
Bank loans	**399,996**	*399,996*
Over five years		
Bank loans	**233,351**	*366,683*
Other loans	**250,000**	*250,000*

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2022 £	*2021 £*
Payable or repayable by instalments	**233,351**	*366,683*
Payable or repayable other than by instalments	**250,000**	*250,000*
	483,351	*616,683*

Bank loans are secured by legal charges over four freehold properties owned by the Trust with a total net book value of £4,535,000 (2021 - £4,535,000). The total bank loan balance of £900,011 (2021 - £1,033,343) is 20% (2021 - 23%) of the property value based on the most recent valuations.

The other loan is secured by a legal charge over one freehold property owned by the Trust which has a net book value of £275,000 (2021 - £275,000). The loan balance is 91% (2021 - 91%) of the value of the security held.

22. Statement of funds

Statement of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted Funds						
Designated Funds						
Digitalisation Reserve	144,000	-	-	-	-	144,000
General Funds						
Free Reserves	3,323,710	16,576,849	(15,853,933)	(307,231)	(103,903)	3,635,492
Property Fund	10,568,533	-	(135,418)	133,332	-	10,566,447
Revaluation Reserve	5,418,203	-	-	68,063	-	5,486,266
Pension Reserve	(745,000)	-	(11,000)	134,000	622,000	-
	18,565,446	16,576,849	(16,000,351)	28,164	518,097	19,688,205
Total Unrestricted Funds	18,709,446	16,576,849	(16,000,351)	28,164	518,097	19,832,205
Restricted Funds						
ESFA Maintenance	122,093	110,031	(63,550)	-	-	168,574
Bursary Funds	19,305	42,890	(19,012)	-	-	43,183
Sensory Bus	46,886	122,535	(112,420)	-	-	57,001
Forbes Trust	6,002	12,500	(18,502)	-	-	-
Children in Need	8,381	27,922	(36,303)	-	-	-
Tolkien Trust	-	50,000	(50,000)	-	-	-
Baily Thomas	4,507	-	(1,104)	(3,403)	-	-
Help for Health	-	47,000	(16,510)	(26,662)	-	3,828
ETF	-	28,400	(28,400)	-	-	-

22. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Other Restricted Funds	117,930	80,258	(59,332)	(30,761)	-	108,095
Fixed Assets Acquired	2,922,921	-	(10,217)	32,662	-	2,945,366
	3,248,025	521,536	(415,350)	(28,164)	-	3,326,047
Total of Funds	21,957,471	17,098,385	(16,415,701)	-	518,097	23,158,252

Unrestricted Funds:
For clarity of presentation, the Trustees choose to show the value of property and the accumulated gains and losses as separate funds. Free Reserves above therefore represents the accumulated surplus on charitable activities.

Restricted Funds:
Most of the Trust's income is in the form of fees but it also receives grants and raises funds for specific purposes. These restricted funds are described below:

ESFA Maintenance - represents funding received from the Education and Skills Funding Agency ("ESFA") to be spent on the maintenance of educational facilities.

Bursary Fund - these represent funds provided by the ESFA to financially support young people in learning at the discretion of the Trust.

Sensory Bus - relates to unspent funds provided by the Big Lottery Fund, Scottish Power and other donors for the initial acquisition of a sensory library and its continued running costs.

Other Restricted Funds - relate to other grants and donations from funders and individuals which are subject to restrictions imposed by the donor.

Fixed Assets Acquired with Restricted Funds - represents the net book value of assets acquired with restricted funding streams; the main asset being the building at Boultham Park.

Transfers have been recognised in the restricted funds analysis where funds have been reclassified, for the acquisition of fixed assets and also to recognise where other funds received have been allocated to other projects.

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2020 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2021* £
Unrestricted Funds						
Designated Funds						
Digitalisation Reserve	*144,000*	-	-	-	-	*144,000*
General Funds						
Free Reserves	*2,501,099*	*15,224,873*	*(14,757,436)*	*36,709*	*318,465*	*3,323,710*
Property Fund	*10,422,971*	-	*154,490*	*(8,928)*	-	*10,568,533*
Revaluation Reserve	*4,637,971*	-	-	*(132,740)*	*912,972*	*5,418,203*
Pension Reserve	*(884,000)*	-	*(12,000)*	*108,000*	*43,000*	*(745,000)*
	16,678,041	*15,224,873*	*(14,614,946)*	*3,041*	*1,274,437*	*18,565,446*
Total Unrestricted Funds	*16,822,041*	*15,224,873*	*(14,614,946)*	*3,041*	*1,274,437*	*18,709,446*
Restricted Funds						
ESFA Maintenance	*51,034*	*99,471*	*(28,412)*	-	-	*122,093*
Bursary Funds	*24,422*	*12,655*	*(18,513)*	*741*	-	*19,305*
Sensory Bus	*64,941*	*85,774*	*(95,829)*	*(8,000)*	-	*46,886*
Forbes Trust	*5,002*	*25,000*	*(24,000)*	-	-	*6,002*
Children in Need	*8,704*	*34,717*	*(35,040)*	-	-	*8,381*
Tolkien Trust	-	*50,000*	*(50,000)*	-	-	-
Karten Trust	*939*	-	-	*(939)*	-	-
Baily Thomas	*21,249*	*5,947*	*(22,689)*	-	-	*4,507*
Lottery Heritage Fund	*21,000*	*29,900*	*(50,161)*	*(739)*	-	-

22. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 September 2020 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2021* £
Other Restricted Funds	*93,030*	*57,169*	*(38,165)*	*5,896*	-	*117,930*
Fixed Assets Acquired	*2,949,068*	-	*(26,147)*	-	-	*2,922,921*
	3,239,389	*400,633*	*(388,956)*	*(3,041)*	-	*3,248,025*
Total of Funds	*20,061,430*	*15,625,506*	*(15,003,902)*	-	*1,274,437*	*21,957,471*

23. Summary of funds

Summary of funds - current year

	Balance at 1 September 2021 £	**Income** £	**Expenditure** £	**Transfers in/out** £	**Gains/ (Losses)** £	**Balance at 31 August 2022** £
Designated funds	**144,000**	-	-	-	-	**144,000**
General funds	**18,565,446**	**16,576,849**	**(16,000,351)**	**28,164**	**518,097**	**19,688,205**
Restricted funds	**3,248,025**	**521,536**	**(415,350)**	**(28,164)**	-	**3,326,047**
	21,957,471	**17,098,385**	**(16,415,701)**	-	**518,097**	**23,158,252**

23. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 September 2020 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2021* £
Designated funds	*144,000*	-	-	-	-	*144,000*
General funds	*16,678,041*	*15,224,873*	*(14,614,946)*	*3,041*	*1,274,437*	*18,565,446*
Restricted funds	*3,239,389*	*400,633*	*(388,956)*	*(3,041)*	-	*3,248,025*
	20,061,430	*15,625,506*	*(15,003,902)*	-	*1,274,437*	*21,957,471*

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	**Unrestricted funds 2022** £	**Total funds 2022** £
Tangible fixed assets	2,945,366	17,590,746	**20,536,112**
Current assets	487,478	6,417,158	**6,904,636**
Creditors due within one year	(106,797)	(3,159,020)	**(3,265,817)**
Creditors due in more than one year	-	(1,016,679)	**(1,016,679)**
Total	3,326,047	19,832,205	**23,158,252**

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Restricted funds 2021 £	*Unrestricted funds 2021* £	*Total funds 2021* £
Tangible fixed assets	*2,922,921*	*17,393,739*	*20,316,660*
Current assets	*502,779*	*6,082,410*	*6,585,189*
Creditors due within one year	*(177,675)*	*(2,871,692)*	*(3,049,367)*
Creditors due in more than one year	-	*(1,150,011)*	*(1,150,011)*
Provisions for liabilities and charges	-	*(745,000)*	*(745,000)*
Total	*3,248,025*	*18,709,446*	*21,957,471*

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

	2022 £	*2021* £
Net income for the year (as per Statement of Financial Activities)	**578,781**	*940,069*
Adjustments for:		
Depreciation charges	**149,305**	*110,227*
Property impairment	**-**	*(154,690)*
(Gain) / loss on investments	**103,903**	*(318,465)*
Profit on the sale of fixed assets	**(47,800)**	*(52,357)*
Decrease/(increase) in debtors	**(244,980)**	*306,453*
Increase in creditors	**216,450**	*123,832*
Pension finance and administration costs	**11,000**	*12,000*
Contributions to defined benefit pension schemes	**(134,000)**	*(108,000)*
Net cash provided by operating activities	**632,659**	*859,069*

26. Analysis of cash and cash equivalents

	2022 £	*2021 £*
Cash at bank and in hand	**2,045,350**	*1,869,587*
Residents money bank accounts	**485,154**	*482,547*
Total cash and cash equivalents	**2,530,504**	*2,352,134*

27. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	Changes in market value £	Other non-cash changes £	At 31 August 2022 £
Cash at bank and in hand	**2,352,134**	**178,370**	**-**	**-**	**2,530,504**
Debt due within 1 year	**(133,332)**	**133,332**	**-**	**(133,332)**	**(133,332)**
Debt due after 1 year	**(1,150,011)**	**-**	**-**	**133,332**	**(1,016,679)**
Liquid investments	**2,480,264**	**-**	**(103,903)**	**-**	**2,376,361**

28. Pension commitments

Linkage Community Trust operates two separate pension schemes - a Group Savings Plan and an Executive Pension Plan. The assets of both schemes are held separately from those of the Trust in independently administered funds.

Group Savings Plan:
The Group Savings Plan is a defined contribution scheme. The pension cost in the accounts represents the total pension cost for the year which amounted to £289,506 (2021 - £275,247).

The Trust operates a defined benefit pension scheme.

Executive Pension Plan:
This is a defined contribution plan with underlying guarantees of a defined benefit nature. It is therefore accounted for in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The scheme is closed to further accrual of benefits. At 31 August 2022, the scheme makes payments to six pensioners.

The following disclosures are taken from the report prepared as at 31 August 2022 by Barnett Waddingham LLP, the Plan's actuary.

28. Pension commitments (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2022 %	*At 31 August 2021 %*
Discount Rate	**4.30**	*1.60*
Retail Prices Index (RPI) Inflation	**3.80**	*3.60*
LPI Pension Increases	**3.60**	*3.60*
Assumed Percentage of Pension Taken as Tax Free Cash	**20.00**	*20.00*

	At 31 August 2022 Years	*At 31 August 2021 Years*
Mortality rates (in years)		
- for a male aged 65 now	**22.0**	*22.4*
- at 65 for a male aged 45 now	**23.6**	*24.2*
- for a female aged 65 now	**24.5**	*24.3*
- at 65 for a female aged 45 now	**26.2**	*26.2*

The Trust's share of the assets in the scheme was:

	At 31 August 2022 £	*At 31 August 2021 £*
Cash	**161,000**	*83,000*
Funds	**1,573,000**	*1,498,000*
Insured Assets	**1,018,000**	*1,402,000*
Total fair value of assets	**2,752,000**	*2,983,000*

The actual return on scheme assets was £(251,000) *(2021 - £105,000)*.

The amounts recognised in the Statement of financial activities are as follows:

	2022 £	*2021 £*
Interest on assets	**(48,000)**	*(51,000)*
Interest on liabilities	**59,000**	*63,000*
Total amount recognised in the Statement of financial activities	**11,000**	*12,000*

28. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2022 £
Opening defined benefit obligation	**3,728,000**
Changes to actuarial assumptions	**(1,286,000)**
Benefits paid	**(114,000)**
Interest on liabilities	**59,000**
Closing defined benefit obligation	**2,387,000**

Movements in the fair value of the Trust's share of scheme assets were as follows:

	2022 £
Opening fair value of scheme assets	**2,983,000**
Interest on assets	**48,000**
Return on assets less interest	**(299,000)**
Contributions	**134,000**
Benefits paid	**(114,000)**
Derecognition of pension scheme surplus	**(365,000)**
Closing fair value of scheme assets	**2,387,000**

The actuarial report valued a pension scheme surplus of £365,000 as set out by the disclosures above. This balance has not been recognised on the basis that the balance is not deemed to be recoverable through reduced contributions in the future or through refunds from the plan.

29. Operating lease commitments

At 31 August 2022 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	*2021* *£*
Not later than 1 year	**60,800**	*7,471*
Later than 1 year and not later than 5 years	**172,907**	*5,918*
	233,707	*13,389*

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2022 £	*2021* *£*
Operating lease rentals	**55,599**	*9,859*

30. Related party transactions

Linkage Trading Ltd:

Linkage Trading Ltd is a company limited by guarantee which is controlled by Linkage Community Trust.

The Trust processes payroll on behalf of the company and receives other minor income and expenses. Net expenses and repayments during the year were £13,877 (2021 - £47,021).

During the year, the trustees agreed to write down the amount owing by the company to the Trust by £nil (2021 - £73,279).

The balance outstanding at the year-end is £64,422 (2021 - £50,545) and included within amounts owed by group undertakings.

Chase & Holland Recruitment Limited:

Chase & Holland Recruitment Limited is a company in which Mrs B L Findlay is a director and person with significant control.

The company provided recruitment services to the Trust during the period in which Mrs B L Findlay was a trustee. The total amount charged to the Trust during the period in the year was £14,961 with a balance of £6,600 outstanding at the year-end and included in trade creditors.

The company was used for recruitment services before her appointment as trustee and the trustee was not involved in any related decision-making.

THE LINKAGE COMMUNITY TRUST LIMITED

England & Wales - Charity number 504913

Accounts

Registered number: 01240377
Charity number: 504913

LINKAGE COMMUNITY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

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LINKAGE COMMUNITY TRUST

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2021

Trustees	Mr A T Bake Mr K J Batty Mr M Bell (resigned 19 July 2021) Professor S F Brown Mrs B Findlay (appointed 30 November 2021) Mrs E Hadley (appointed 30 November 2021) Professor M C Hannay (resigned 26 January 2022) Mr S J Hatchman Mrs C Jervis Mrs S Kane (appointed 21 October 2020, resigned 20 October 2021) Mr M J Oliver (deceased 5 March 2021) Mr D Reed Mr A K Riley (resigned 28 April 2021) Mrs S M Simpson Mr M A Smith, Chairman (appointed 28 April 2021) Mrs K I Truscott (appointed 12 July 2021)
Company Registered Number	01240377
Charity Registered Number	504913
Registered Office	Toynton Hall Main Road Toynton All Saints Spilsby Lincolnshire PE23 5AE
Independent Auditors	Streets Audit LLP Chartered Accountants & Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW
Bankers	Lloyds Bank plc High Street Lincoln LN5 7AP
Solicitors	Bridge McFarland LLP 9 Cornmarket Louth Lincolnshire LN11 9PY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Investment Advisers	jch: investment management limited 1 Henley Way Doddington Road Lincoln LN6 3QR

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

The Chairman presents their statement for the year.

I am very pleased to report another successful year for Linkage Community Trust. 2020/2021 continued to see challenges for everyone at the Trust through the COVID-19 pandemic, with a continued emphasis on keeping staff, clients and students safe, but at the same time ensuring that clients could enjoy as many opportunities as possible to thrive.

The Trust remains focussed on its vision that "People with learning difficulties and disabilities have opportunities and choice and are supported to achieve their aspirations". Our mission has not changed; "To provide person centred services that enable individuals to develop skills and behaviours and to live independent lives".

In a challenging environment, Linkage remains in a sound financial position. We achieved a successful financial result which can be attributed to cost controls and improved in efficiencies. The Trust benefited from ongoing government Infection Control Funding in its Residential Care and Community Support services. This helped with on-going costs associated with the pandemic, primarily to fund staff needing to self-isolate, but also for additional resources, PPE and the recruitment and retention of our staff. The new time and attendance system has begun to assist us in the efficient management of resources benefiting Linkage's clients.

The Trust's Residential Care and Community Support provisions served 170 residential clients. Staff clients and their families had to show resilience to changing government guidance around infection control, visiting and testing through the pandemic. The Adult Services teams worked in conjunction with colleagues to bring activities into clients' homes or to offer more activities held outside. A further 131 clients were supported through the Community Support service, living in the community in either their own properties or through Linkage's ongoing partnership with Platform Housing and Local Housing Associations.

The Adult Skills service had to evolve to the circumstances of the pandemic, and as above often offered activities in Residential properties or outside activities such as walking. Limited external day services clients visited the service over the winter, but by summer 2021 almost all were welcomed back. The use of a large marquee at the Toynton campus helped to offer popular performing arts activities to as many clients as possible in a COVID-secure fashion.

The Employment service once again had very limited opportunities to support clients and learners into employment and work-based experiences. Only 18 clients engaged with employers in paid employment – well below target although the employment team continued to build on relationships with local employers for the future. The existing contract with Lincolnshire County Council, delivering their STEP (Specialist Tailored Employment Partnership) programme was also extended to ensure opportunities would be available as the pandemic and its restrictions lift.

2020/2021 saw most learners return to Linkage's college locations, albeit changes in restrictions made teaching and learning challenging for all. With formal teaching observations and student qualifications not possible it was difficult to measure progress, although positive signs were seen in student progress and satisfaction (both slightly lower than the previous year in trying circumstances). The new campus at Beverley in the East Riding of Yorkshire opened in its temporary accommodation close to the town centre, and welcomed ten students in 2020/2021. Work continued in partnership with landlord Wykeland Properties on the permanent home for the campus, which saw a deep refurbishment to meet Linkage's specifications and the needs of the growing student demand to the north of the Humber. This new campus opened to learners in Autumn 2021.

Following investigative works in autumn 2020, Linkage began plans to provide Care to clients higher needs than that seen in its current client base. Extensive research revealed a growing demand in this area, and in summer 2021 a manager was appointed to investigate further potential sites to build/develop tailored accommodation at around six locations to provide high needs care.

CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

We continued to progress with the Trust's five-year Digitalisation plan which was launched in 2019. In autumn 2020 we commenced the roll out of a new time and attendance system and continued to work on other systems and better ways of working digitally.

Work continued in the year to develop a potential plan for the campus at Weelsby, and especially for the Victorian Weelsby Hall which stands in woodland at the heart of the campus. The Lottery-funded project has delivered options for the site which are now under consideration.

Linkage's Director of Quality, Safeguarding and Business Development, Rex Richardson decided to retire in December 2020. Rex was one of the founders of Linkage back in 1976. Undoubtedly, knowledge built up over 44 years' of magnificent service will be hugely missed, as will his sense of humour, passion and camaraderie especially with Linkage's clients.

Very sadly, previous Chairman Michael Oliver passed away in March 2021 following a long illness. Michael was a valued Trustee for 12 years and was appointed as Chair in September 2010. Like all Linkage's Trustees, he was extremely generous with his time on a voluntary basis. His enthusiastic support and passion for Linkage will be greatly missed.

I was appointed as the new Chairman on 28 April 2021 and look to bring a wealth of commercial experience to complement the Board of Trustees.

Finally, I must pay tribute to the skills and dedication of staff in especially trying times who have cared for those we support, and have made all of Linkage's achievements possible in the past year.

Mr M A Smith
Date: 20/6/22

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the audited financial statements of the Trust for the year 1 September 2020 to 31 August 2021. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

STRUCTURE

The Trust is both a company limited by guarantee as defined by the Companies Act 2006 and a registered charity. Its governing document is the Articles of Association adopted on 1 May 2019.

OBJECTIVES AND ACTIVITIES

Aims and Objectives

The objects of the Trust are set out in the Articles of Association. More specifically, the Trust provides specialist further education, residential care and community support, adult skills and a range of employment services which, taken together, are intended to enable people with learning difficulties and other disabilities to realise their full potential and achieve independence. There has been no substantive change in the charitable objects during the period under review.

Significant Activities

During the year, the Trust operated from college campuses in Toynton, Grimsby and Lincoln, residential and day care services based in Toynton, Scremby, Skegness, Louth, Grimsby, Alford, Lincoln and Mablethorpe. It also operated from more than 30 'satellites' (residential care homes, student residences, workshops, cafes etc) situated in East Lindsey, North East Lincolnshire and the City of Lincoln.

Related Parties

Linkage Trading Limited is a company limited by guarantee established in the year 2000 to provide a vehicle for the conduct of commercial activities that support, promote or otherwise enhance the aims and objectives of the Trust.

Linkage Trading Limited is governed by its own board of directors, although by deed of covenant dated 30 March 2001, the whole of the annual surplus of Linkage Trading Limited, if any, is to be paid to the Trust. An option deed dated 30 March 2001 exists whereby at any time Linkage Community Trust has the right to acquire the assets and undertakings of Linkage Trading Limited.

ACHIEVEMENT AND PERFORMANCE

Linkage Community Trust continues to strive to reach and bring choice and opportunity to as many individuals as possible. In order to do this it provides a number of core services in order to maximise its offer to the communities it serves. An overview of their activities during this period is provided below.

Linkage Choice (Adult Skills Day Services)

From September 2020 to August 2021 the volume of clients accessing Linkage's "Day" service steadily increased in line with the easing of lockdown measures. As restrictions eased, clients became more confident in the 'new normal'. The success of our continued engagement with clients, which included new initiatives such as weekly challenges, competitions, Zoom sessions for Performing Arts and Walking for Health were key contributing factors in clients feeling confident to return to the service. Successful grant applications to the Angling Trust and the Football Foundation will enhance our offer further in future.

In June 2021 Linkage's "Day Service" responsibility moved from the Care area of the organisation into a new Directorate, Lifelong Learning and Employability. The new directorate includes all college campuses, the "Day Services" across Linkage (Lincoln, Toynton and Weelsby) and Linkage's Employment Service. Under the new directorate, and Director leading the area, Linkage's "Adult Skills" day service was re-branded "Linkage Choice". As such, the activities clients choose are facilitated based on their wishes and interests and have expanded. Linkage Choice activities are reviewed on a quarterly basis and aligned to the seasons of the year.

As a result of the refreshed offer, the return of clients and the positive feedback Linkage has received from parents and other stakeholders, the number of clients accessing the service is rising significantly. As well as exceeding the Lincolnshire County Council contractual agreement of 200 clients, Linkage's Linkage Choice service now engages with a total of 250 across the three sites, of which 156 are internal, and 94 are external clients.

Care Services
Care Services comprises Residential Care and Community Support Services. During the reporting period Care Services served up to 163 clients within its 23 residential care homes and 121 clients through its Community Support service, with others benefitting from access to our Respite service.

Community Support services supports clients in the community either in their own private accommodation or in managed properties provided through our ongoing partnership work with Platform Housing (previously Waterloo) and Local Housing Authorities.

The last year has seen a time of drastic change for our care services across residential and community support as the trust responded to the COVID-19 pandemic. People within receipt of our care will have experienced new ways of receiving their support, such as:

- the introduction of PPE at all times when support is provided;
- the requirements for the staff who support them to be tested weekly, and to receive a test monthly themselves;
- ever changing Government guidance has seen great impact in the choice and control for our clients on how they live their lives;
- not being able to see or have physical contact with family members and friends;
- the introduction of the concept of 'bubbles' and needing to stay within a group of identified people in one location;
- the opportunities and relationships with the local community have become cut off as shops, local cafes, pubs and other hospitality services have been closed; and
- cross-site movement of people has also prevented people within our care services being able to access activities provided by our adult skills centres from the main sites in which we operate.

Despite these implications, the clients we support and our colleagues who support them have demonstrated an amazing resilience in the face of such adversity. We have seen people connecting in different ways, using Zoom, FaceTime and social media to connect. The introduction of new technology to the care homes has greatly enhanced our delivery of support, we have seen activities such as Performing Arts, Boxercise, Zumba, LEGO®-based therapy, quizzes, discos and job club delivered via Zoom for our clients to enjoy – this has taken a whole new set of skills being developed and our clients have thrived in this greater ability to connect with the wider world, albeit differently and remotely.

As Government guidance has changed we have maximised the opportunities for people to be able to connect with their families and to provide activities in person. This has seen a variety of focused activities delivered to each care home bubble, such as walking group, cross country cycling, couch to 1k and regular trips to safe local spaces – at times for only 45 minutes a day.

Linkage Care services has received additional grants through the Infection Prevention & Control (IPC) fund to support its response to the COVID-19 pandemic.

Despite this challenging year, new processes have continued to be introduced that have enabled us to be more responsive, more tailored to the needs, wishes and vulnerabilities of the people Linkage supports, and to ensure that our clients have the skills they need to lead a life that is safe and makes sense to them.

We have continued in our aspiration to provide services rated as 'Outstanding' by the Care Quality Commission across our care provision. Our three registrations that are rated as 'outstanding' have maintained that rating, but unfortunately due to the pandemic we have seen CQC not completing inspections, which has seen us not have the opportunity for other services to be recognised in this way.

The Trust has continued on its journey to digitise systems and processes that will directly benefit and modernise the service it provides for the people we support, which will enable the Trust to be as efficient as possible with its resources, as well as ensuring that clients have all the accessible technology in place they need to lead an engaged, interactive and independent life.

Education
Throughout 2020/21, the college was a safe, secure and inspiring environment in which to work and study at all four campuses. In another academic year affected by the COVID-19 pandemic, the college and its staff were resilient and flexible in ensuring that learners' education remained predominantly unaffected. Linkage learners continued to develop their skills, achieve their goals, and meet many of their aspirations.

Highlights / achievements:

- The college enjoyed its first cohort of commissioned learners at the new East Riding campus.
- Learners at all campuses engaged in a wider range of sport and enrichment activities.
- The college's achievement rates are nearly back to the 'Outstanding' level they were pre-pandemic.
- The college won Natspec's National Award for Partnership Working for the development of its Lincoln campus (the project was undertaken in conjunction with the City of Lincoln Council and Heritage Lottery Fund (HLF).

The impact of the strategies the college has adopted, the fantastic efforts of all teams at every level, the further development of opportunity and choice for learners, and the positive effects of a wide, broad curriculum meant the college has improved further as a Specialist Further Education provider. During 2020/21, to ensure that it provided a unique curriculum, the college amended its curriculum planning process to ensure there are more opportunities for learners to develop their independence, employability and vocational skills. As part of the wider Trust Digitalisation Strategy, the college has begun to establish its Virtual Learning Environment (VLE) and has received funding from the Karten Trust to upgrade its IT software, assistive technology resources and mobile technology hardware.

The East Riding campus benefited from significant grant awards from Help for Health and the Liz & Terry Bramall Charitable Foundation, which supported the creation of the state of the art drama studio, the independence suite, the sensory room and the installation of an accessible lift.

The monumental efforts and resourcefulness of the college's staff teams ensured learners were further engaged as restrictions eased, which resulted in an achievement rate of 90%. This outstanding achievement maintained Linkage College's stature in the top 5% of specialist colleges nationally.

Linkage College is in good financial health. The financial element of the college is managed well and prioritises spending on areas that directly and positively influence learners' experience. In 2020/21, the college had increased costs associated with the COVID-19 pandemic (relating to cleaning, waste management, and staff time spent on testing, in accordance with Government guidelines). Despite this, the budget was still able to yield a small surplus.

The college based its spending on improving facilities and resources to support wider curriculum initiatives: for example, sport and enrichment. The college also committed to the purchase of a Virtual Learning Environment to support online learning, and invested considerably in staff training to support this initiative. In 2020/21, a revised curriculum planning process resulted in some exciting developments for 2021/22, and an approved financial commitment to deliver this.

The college's bursary and discretionary bursary allocations have supported learners, ensuring that their choices and achievements are unaffected by their vulnerability or social background.

The Supported Employment Team continues working and supporting clients and learners safely within the new COVID normal.

Due to the continued outbreak of COVID-19 and to Linkage implementing their Business Continuity Plan, learners and clients were withdrawn from the work place, and the STEP Programme (Specialist Tailored Employment Partnership) was temporarily suspended.

During lockdown we maintained contact with 54 of our 110 local employers, and as we followed Government guidance and started to return to the new normal clients and learners gradually and safely re-engaged in the workplace and the STEP Programme.

Twenty clients were supported to safely re-engage in work experience / voluntary placements and 24 clients to return to paid employment. In addition, 53 clients were actively engaged in the STEP Programme during the year to 31 August 2021.

We developed and continue to roll out COVID-safe working processes to support both employer and clients and risk assessments are completed before the supported return to working environments takes place. The Supported Employment Team has endeavoured to adhere to shifting Government guidance, and is maintaining its COVID-secure person centred approach to safely support individuals to retain and resume their employment, volunteer activities, work experience and internship placements wherever possible.

Linkage Outreach Project (Sensory Bus / Library)
The project delivers work in schools, care homes, early years' groups and community settings on a Sensory Bus. We also loan sensory equipment and deliver LEGO®-based therapy. From December 2020 the Children & Families Development Worker (Young Futures Project) has been part of the team.

COVID caused disruption to delivery by the service, most notably during January to March 2021. However, access to lateral flow tests enabled the Sensory Bus to welcome some clients in Linkage's care onto the Sensory Bus.

During the autumn of 2020 and starting again in Spring 2021, the Sensory Bus was able to run a more normal schedule working with 8 schools, 1 pre-school, 1 care home for adults with learning disabilities and with 14 dementia patients in a nursing home, the latter is now creating its own Sensory Room.

Evaluation showed:

- 89% having improved communication;
- 86% sharing activities on the bus;
- 89% better able to be calm and relaxed;
- 78% better able to concentrate; and
- 98% happier.

During the school summer holidays the Sensory Bus established itself back in the wider community working with settings as varied as 5 Children's Centres, 1 Children's Home (a new venture), 3 one-off Community events and joint work with 2 Community Groups (Rainbow Stars in Sleaford and Little Miracles in Spalding). We also loaned equipment to Centrepoint in Boston to trial with homeless people some of whom remember it from their time in special schools.

Loans from the Sensory Library continued throughout, with the greatest benefit remaining the opportunity for families to try out equipment to see what worked for their children to help them decide what would be worth purchasing.

Delivery of LEGO®-based therapy was completely disrupted.

We usually include a quote from a setting working with children but, as the Sensory Bus also positively impacts on older clients, please see the following:

"Our activities team have gained a lot of insight into the area of sensory and are incorporating it into their daily activities. It was wonderful to see the joy our dementia residents gained from their bus days. The relatives had positive experiences and enjoyed having this personal experience with their loved ones. We are grateful for being given this opportunity. The sensory bus staff were all really accommodating, and it was a pleasure working alongside them". Nursing home

Young Futures Project (Children & Families Development Worker)
During the period to spring 2021, the Children and Families Development Worker (Young Futures Project) kept in touch, and supported, families remotely, and wrote and distributed digests of books relevant to their children's conditions. She then began to meet with families outside, before returning to home visits, undertaking observations in schools, helping families to get the support they need. The families were very pleased to be able to talk to someone face to face again. A spot evaluation was undertaken resulting in some very pleasing feedback including:

"She has been a great help as she believed us when we said our son had problems and no-one else helped" and "A real advocate for the family. Truthful answers and direction. Guidance when felt unsure where to turn".

In the coming period the team will, as far as it is safe to do so:

- work its way through the waiting list for the Sensory Bus caused by Covid related cancellations;
- continue to support individual families, children and young people through one to one support;
- loan sensory library items;
- re-start the delivery of LEGO®-based therapy; and
- build on contacts made as a member of the local Children and Families Voluntary Sector Forum.

Digitalisation
The objective of the comprehensive Linkage-wide Five-Year Linkage Digital Strategy is to coordinate and update the many manual systems in use across Linkage used to collate, process and secure essential information, and become a digitally mature organisation. The fulfilment of the strategy will not only secure our systems and data against cyber-attack, but also increase efficiency, allowing more time to be spent with clients and students and lead to significant savings to enhance the financial sustainability of the Trust.

To date we have achieved the development of firm foundations, processes review, the cybersecurity of systems, the introduction and roll-out of a scalable time and attendance system (PlanDay), and the launch of a Virtual Learning Environment facilitating the delivery of blended learning.

Supported by a further successful funding bid, Year 3 planned activity includes the procurement and roll out of an upgraded digital Finance Solution which will enhance financial control: the creation of a new staff and client Intranet to improve internal communication and promote collaboration and good practice across the organisation: and recruitment to the new post of Head of Business Development & Projects Manager to oversee fulfilment of key Linkage strategies, including the Digitalisation Strategy.

At the conclusion of our Five-Year Digital Strategy a transformational change that will positively impact our clients, learners, parents, staff, partners and stakeholders will have occurred. In short, the Digital Strategy aims to improve the experience of all those who come into contact with Linkage in any way.

GOVERNANCE AND MANAGEMENT

Trustees and Directors / The Board and its Sub-Committees
The Trust is governed by a Board of Trustees which meets six times a year on a pre-planned basis, and more frequently if required. In addition the Board has an annual strategy day and Trustees receive financial and other updates between board meetings. All Trustees give of their time freely. Trustees are required to disclose all relevant interests and to withdraw from any decisions where a conflict of interest arises. No notice was received of any changes to Trustees' interests in the year. In addition to meeting as a full board, Trustees also contribute to the governance process through the Care and Employment, Education and Finance Committees.

The Trustees who served the Trust during the year are listed on page 1 of this report.

Recruitment and Appointment of New Trustees
Subject always to the requirements of the law and the Trust's Articles of Association, the Board is empowered to appoint as a trustee any person who is willing to act, either to fill a casual vacancy or by way of an addition to the Trustees.

Induction and Training of Trustees
A programme of induction and development has been available to all the Trustees, covering all the main features of the Trust's activities and the duties and responsibilities of Trustees. In addition most meetings of the Board are preceded by a Trustee Development Session, where presentations are made to the Trustees on various aspects of the Trust's activities and on developments in the environment in which the Trust operates.

Organisational Structure
Responsibility for each major area of activity (Care, Education and Finance) is delegated to what Linkage (but not Companies House) describes as a 'Director', each of whom reports to the Chief Executive. The Chief Executive and the Directors make up the Senior Management Team (SMT), which reports regularly and routinely to the Board of Trustees.

Remuneration of Key Management Personnel
The remuneration of key management personnel is reviewed on an annual basis by the Finance Committee.

Wider Networks Membership
The Trust is a full member of the Association of Colleges (providing an umbrella over the entire FE sector), the Association for Real Change (providing an umbrella over the care sector), the British Association for Supported Employment, the National Association for Special Educational Needs, the National Association of Specialist Further Education Colleges, the National Council of Voluntary Organisations, Voluntary Organisations Disability Group and the Lincolnshire Chamber of Commerce.

Key Stakeholders
Other organisations with which the Trust works closely include the Education and Skills Funding Agency, local authority Social Services and other departments, various inspection regimes (especially Ofsted and the Care Quality Commission) and a number of quality assurance organisations (such as Investors in People).

Working in Partnership
Both formally and informally, the Trust works closely and collaboratively with a wide range of other service providers, including mainstream and specialist FE colleges, housing associations, local authorities, other care providers and local employers, both individually and through a variety of professional networks.

Risk Management
The Trustees are satisfied that adequate systems are in place to identify and manage those risks to which the Trust is from time to time exposed.

External Risks
The funding of further education for those with a learning disability has been in a state of flux for a number of years. The functions of the Learning and Skills Council were transferred to the Young Persons Learning Agency ("YPLA") in April 2010 and then to the Education and Skills Funding Agency in April 2012. In 2011 the allocation of funds from YPLA was largely transferred to local authorities and in 2013 funding of general and independent specialist further education changed again with local authorities gaining greater powers, although broadly putting the funding of general and independent specialist further education colleges on a very similar basis.

Potential students, particularly from outside Lincolnshire, are finding it increasingly difficult to obtain funding, especially for residential placements and for tuition on more than three days per week.

Those who secure funding for a place at the Trust's college are tending to present with more complex needs and require significant levels of support. To address this issue the college is implementing and will continue to seek more flexible models of staff employment.

Costs continue to rise throughout the Trust, due to inflation, increases in the minimum wage and the National Living Wage, but, in past years, income has not matched that, with very few commissioners agreeing to increases in fees, and indeed with decline in average College fees. The Trust continues to make efficiency gains.

The Trust is required to operate within a regulatory environment that is also continually changing.

For these reasons and others, strategic plans have been reviewed, and it is the Trust's intention to permit and encourage the diversification of each of the Trust's core services (Education, Care and Employment), to take those services 'out of county' and to provide opportunities for the generation of non-fee based income through targeted funding and fundraising campaigns.

Internal Risks
The Board always ensures that the Trust has strong 'control procedures' in place to safeguard its assets. At a governance level, these include a formal programme of trustee induction and development, bi-monthly board meetings, the inclusion of 'standing items' on each board meeting's agenda (including equality and diversity, health and safety, safeguarding and legal compliance), a formal review of board information needs and the committee structure which permits increased delegation of board-level scrutiny.

Financial Risk
Financial risk is minimised by the strict adherence to policies and of procedures governing all aspects of financial management. These policies and procedures are regularly and routinely reviewed to ensure that they continue to meet the needs of the Trust.

Risk Assessment

The Board has adopted a corporate risk management framework that enables the Trustees to monitor the status of identified risks to the Trust, to be assured that suitable plans and provisions are made by management and to be associated regularly and routinely with the production of a corporate risk register. Given the vulnerable nature of the Trust's service users, risk assessment is an integral part of the day-to-day activity of many staff and managers. It is the higher level, strategic risk analysis that is the current focus of the Board of Trustees and the Executive Management Team.

Public Benefit Reporting

When reviewing the Trust's objectives and aims and in planning future activities, the Trustees confirm that they have complied with relevant legislation and have paid due regard to guidance published by the Charity Commission. The Trustees have referred to the guidance and have aimed to summarise the activities in this report and to demonstrate that they have helped further the Trust's aims and objectives as detailed above.

LINKAGE STAFF

Major Achievements

The staff at Linkage remains its greatest asset. Their commitment to the education, care and welfare of the Trust's clients has remained consistently high. Year on year, the achievements of all the staff are reflected in personal targets and reviewed in annual appraisals. Performance against targets built into each service's operating plan is also monitored routinely and reviewed annually. During the period under review, the Trust's Care services continued to obtain consistently high grades from the Care Quality Commission and the Linkage College Ofsted maintained its rating of 'Good' with outstanding elements' in its last inspection.

Employee Involvement and Staff Development

Linkage has possessed Investor in People (IIP) status since November 1995, and was successfully re-assessed in 2017.

The Trust's commitment to training and development is considerable and seeks both to enhance the quality of its work and to maintain its enviable market position. Various means are employed to ensure that staff at all levels and at all sites are informed of and able to contribute to developments occurring across the organisation.

Although there is no formal trade union involvement, a Linkage-wide consultative body, the Staff Representatives Group, ensures staff have a voice, and assists the Executive Leadership Team in decision making.

Disabled Persons

The Trust's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Disabled employees receive appropriate training to facilitate and encourage career development. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts. The Trust continues to use and develop its commitment to the 'two ticks' disability symbol promoted by the Department for Work and Pensions.

FUTURE DEVELOPMENTS

Strategic Planning

The strategic plan is revised annually and re-submitted to the Board of Trustees for amendment and / or approval. This was the final year of implementing the five year plan covering the period from 2016 to 2021. The plan outlined the journey for the five year period and sets out clearly the Trust's vision, mission and values, and the actions the Trust will take to achieve its objectives.

Key Objectives
The plan sets out the Trust vision:

'People with learning difficulties and disabilities have opportunities and choice and are supported to achieve their aspirations'.

The Trust's mission:

'To provide person centred services that enable individuals to develop skills and behaviours to live independent lives.'

The plan sets three priorities:

Priority 1: Putting People First - Linkage will focus on helping the people it supports live the life they choose.

Priority 2: Working Together - Linkage will focus on working collaboratively with other organisations, agencies and experts to offer a range of solutions for people, their families and carers.

Priority 3: Growing our Business - Linkage will develop focus on delivering more services for more people, whether they need a lot of support, or just occasionally.

FINANCIAL REVIEW

Summary of the Results for 31 August 2021
Despite the challenging financial background of the pandemic, the Trust continued to post a positive operating surplus for the year before property revaluations and actuarial gains of £940,069 (2020: £270,461).

The results for the year further include the effects of the property revaluations and the actuarial movement on the Trust's defined benefit pension scheme. Overall, the accounts show a net positive movement of funds of £1,896,041 (2020: £292,632).

Reserves Policy
The Board of Trustees has reviewed its reserves policy and re-examined the Trust's requirements for free reserves in light of both the predominant risks to the Trust and its need for working capital. In completing this review Trustees analysed existing funds, assessed the reliability of future income streams, reviewed committed expenditure and the extent to which it is controllable and assessed the risk, to identify potential commitments and contingencies, together with the likelihood that these risks will materialise and give rise to new commitments. This assessment placed the minimum requirement of free reserves at £1.5million.

As at 31 August 2021, free reserves were £3,323,710 (2020: £2,501,099) based upon calculations which exclude the unrealised pension liability.

Principal Funding Sources
The Trust's principal funding source has always been the public purse: with various agencies of government funding its education and care services. In recent years, Linkage College has been funded by a succession of national funding agencies, most recently, the Education and Skills Funding Agency, but now with decision making and an important element of funding devolved to local authorities. Funding of Linkage's care services continues to be delivered by local authority social service departments.

Funds in Deficit
The Trustees are not aware of any funds being overspent. As the balance sheet illustrates, the Trust has assets which are sufficient to meet the Trust's obligations on a fund by fund basis. It is also worth noting that budgetary controls are in place which do not permit funds to go into deficit.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Fundraising Activities
For most of its history, the Trust has been able to rely upon fee income from activities. In recent years, however, it has become increasingly clear that, if the Trust wishes to maintain its pursuit of excellence and to benefit from opportunities to explore new markets and test new services, it will need to develop a non-fee based income stream. For this reason, it has embarked upon a fundraising campaign.

Investment Policy and Objectives
The Trustees' investment powers are prescribed in the Trust's Articles of Association. The Trustees are permitted to invest any monies of the Trust not immediately required for its purpose in or upon such investments, securities or property as the management committee shall think fit and is allowed by law. During the reporting period, the Trust's investment portfolio was managed by jch: management services Limited.

Internal and External Factors
The Trustees have made a full assessment of the internal and external factors that may affect these financial statements and do not deem any factors material enough to have an impact.

Funds held as Custodian for Others
Included in creditor balances is £482,547 (2020: £381,512) due to students and residents in respect of monies held on their behalf in bank accounts in the Trust's name. This amount is also included in the figure for cash at bank and in hand on the balance sheet.

Approved by order of the members of the board of Trustees on 20/5/22 and signed on their behalf by:

Mr M A Smith
Chairman

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2021

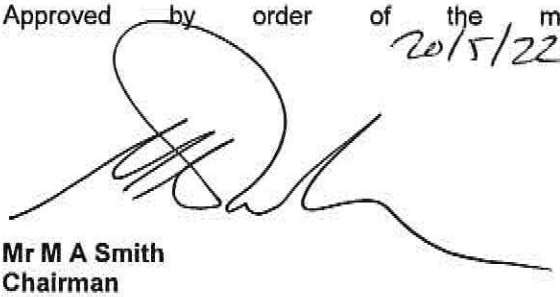
The Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

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

Approved by order of the members of the Board of Trustees on 20/5/22 and signed on its behalf by:



Mr M A Smith
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST

Opinion

We have audited the financial statements of Linkage Community Trust (the 'trust') for the year ended 31 August 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the trust through discussions with trustees and other management, and from our commercial knowledge and experience of the trust and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the trust, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST (CONTINUED)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed a sample of grants in the year to ensure accurate recognition;
- agreed a sample of fee income as being accurately invoiced and recognised;
- reviewed the claims of Government and local authority support to determine accuracy and eligibility;
- agreed a sample of employees on the trust payroll to existence and agreed the accuracy of their pay;
- assessed and reviewed the appropriateness and effectiveness of the key systems and controls;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the trust's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Anderson (Senior statutory auditor)
for and on behalf of
Streets Audit LLP
Chartered Accountants & Statutory Auditor
Tower House
Lucy Tower Street
Lincoln
LN1 1XW

Date: 26/5/22

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Income from:					
Donations, grants and legacies:	4				
Donations		**34,081**	**4,066**	**38,147**	*9,339*
Grants		**366,252**	**-**	**366,252**	*438,203*
Charitable activities	6	**-**	**15,185,996**	**15,185,996**	*14,506,448*
Other trading activities	8	**300**	**34,811**	**35,111**	*43,619*
Investments	9	**-**	**-**	**-**	*2,880*
Total income		**400,633**	**15,224,873**	**15,625,506**	*15,000,489*
Expenditure on:					
Raising funds:	10				
Expenditure of voluntary income		**388,956**	**-**	**388,956**	*474,344*
Fundraising expenses		**-**	**102,485**	**102,485**	*61,318*
Charitable activities	11	**-**	**14,636,872**	**14,636,872**	*14,069,499*
Other expenditure	13	**-**	**(124,411)**	**(124,411)**	*113,697*
Total expenditure		**388,956**	**14,614,946**	**15,003,902**	*14,718,858*
Net income before net gains/(losses) on investments		**11,677**	**609,927**	**621,604**	*281,631*
Net gains/(losses) on investments		**-**	**318,465**	**318,465**	*(11,170)*
Net income		**11,677**	**928,392**	**940,069**	*270,461*
Transfers between funds	23	**(3,041)**	**3,041**	**-**	*-*
Net movement in funds before other recognised gains		**8,636**	**931,433**	**940,069**	*270,461*
Other recognised gains:					
Gains on revaluation of fixed assets		**-**	**912,972**	**912,972**	*-*
Actuarial gains on defined benefit pension schemes	30	**-**	**43,000**	**43,000**	*22,171*
Net movement in funds		**8,636**	**1,887,405**	**1,896,041**	*292,632*

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Reconciliation of funds:					
Total funds brought forward		**3,239,389**	**16,822,041**	**20,061,430**	*19,768,798*
Net movement in funds		**8,636**	**1,887,405**	**1,896,041**	*292,632*
Total funds carried forward		**3,248,025**	**18,709,446**	**21,957,471**	*20,061,430*

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

The notes on pages 26 to 51 form part of these financial statements.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 01240377

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	17		**20,316,660**		*19,571,116*
			20,316,660		*19,571,116*
Current assets					
Debtors	19	**1,752,791**		*2,059,244*	
Investments	20	**2,480,264**		*2,161,799*	
Cash at bank and in hand		**2,352,134**		*1,374,672*	
		6,585,189		*5,595,715*	
Creditors: amounts falling due within one year	21	**(3,049,367)**		*(2,938,058)*	
Net current assets			**3,535,822**		*2,657,657*
Total assets less current liabilities			**23,852,482**		*22,228,773*
Creditors: amounts falling due after more than one year	22		**(1,150,011)**		*(1,283,343)*
Net assets excluding pension liability			**22,702,471**		*20,945,430*
Defined benefit pension scheme liability	30		**(745,000)**		*(884,000)*
Total net assets			**21,957,471**		*20,061,430*

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note		2021 £		2020 £
Charity funds					
Restricted funds	23		**3,248,025**		*3,239,389*
Unrestricted funds					
Designated funds	23	**144,000**		*144,000*	
General funds	23	**13,892,243**		*12,924,070*	
Revaluation reserve		**5,418,203**		*4,637,971*	
Unrestricted funds excluding pension asset	23	**19,454,446**		*17,706,041*	
Pension reserve	23	**(745,000)**		*(884,000)*	
Total unrestricted funds	23		**18,709,446**		*16,822,041*
Total funds			**21,957,471**		*20,061,430*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 20/5/22 and signed on their behalf by:

Mr M A Smith
Chairman

The notes on pages 26 to 51 form part of these financial statements.

. **General funds analysis**

	2021 £	2020 £
Amounts Invested in Land and Buildings	**11,851,876**	*11,839,646*
Loans Secured on Property	**(1,283,343)**	*(1,416,675)*
Free Reserves	**3,323,710**	*2,501,099*
	13,892,243	*12,924,070*

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	2021 £	*2020* *£*
Cash flows from operating activities		
Net cash used in operating activities	**859,069**	*980,431*
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	**330,850**	*500*
Purchase of tangible fixed assets	**(79,125)**	*(52,120)*
Net cash provided by/(used in) investing activities	**251,725**	*(51,620)*
Cash flows from financing activities		
Repayments of borrowing	**(133,332)**	*(133,332)*
Net cash used in financing activities	**(133,332)**	*(133,332)*
Change in cash and cash equivalents in the year	**977,462**	*795,479*
Cash and cash equivalents at the beginning of the year	**1,374,672**	*579,193*
Cash and cash equivalents at the end of the year	**2,352,134**	*1,374,672*

The notes on pages 26 to 51 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1. General information

The Trust is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £1 per member of the Trust.

The Trust's registered office is Toynton Hall, Main Road, Toynton All Saints, Spilsby, Lincolnshire, PE23 5AE.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Linkage Community Trust 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.

2.2 Consolidation

These financial statements represent the figures of the Trust only. Consolidated financial statements have not been prepared on the basis that the subsidiary company is not material to the financial statements.

2.3 Income

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

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes the direct costs incurred in relation to restricted voluntary income received.

Expenditure on charitable activities is incurred on undertaking the activities which further the Trust's objectives. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and an allocation of a corporate overhead.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Freehold Property is initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, a Trust may need to estimate fair value using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the Statement of financial activities, with a separate revaluation reserve being shown in the Statement of funds note.

Other tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold Property	- no depreciation - see below
Leasehold Property	- over the remaining lease term
Movable Buildings	- straight line over 10 years
Motor Vehicles	- straight line over 4 years
Fixtures and Fittings	- straight line over 3 years

Freehold Property is not depreciated on the grounds of immateriality. Freehold Property is subject to regular maintenance and repair such that in the Trustees opinion the residual value is not materially different from the value in the financial statements and has a long useful economic life. The Trustees consider the need for impairment at each period end.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

2.7 Debtors

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

2.8 Current asset investments

Investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

2.9 Cash at bank and in hand

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

2. Accounting policies (continued)

2.10 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.11 Financial instruments

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

2.12 Operating leases

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

2.13 Pensions

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

The Trust operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 August 2021.

2.14 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the Trust's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

The recoverability of trade debtors and associated provisioning is considered on a regular basis. When calculating the debtor provision, the Trustees consider the age of the debts and the financial position of its service users.

The present value of the defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 30, will impact the carrying amount of the pension liability.

4. Income from donations and legacies

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Donations	34,081	4,066	**38,147**	*9,339*
Grants	366,252	-	**366,252**	*438,203*
	400,333	4,066	**404,399**	*447,542*
Total 2020	*447,488*	*54*	*447,542*	

5. Analysis of grants

	2021 £	*2020 £*
ESFA	**112,126**	*75,767*
Big Lottery Fund	**85,774**	*141,031*
Children in Need	**34,717**	*35,867*
Forbes Trust	**25,000**	*25,000*
Tolkien Trust	**50,000**	*50,000*
Karten Trust	**-**	*24,820*
Baily Thomas	**5,947**	*23,125*
British Airways Carbon Fund	**-**	*25,000*
Heritage Lottery	**29,900**	*29,900*
Other	**22,788**	*7,693*
	366,252	*438,203*

6. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Education and Adult Skills	3,692,600	**3,692,600**	*3,565,926*
Care	11,286,381	**11,286,381**	*10,650,323*
Employment	39,746	**39,746**	*122,857*
Corporate and Cafes	167,269	**167,269**	*167,342*
	15,185,996	**15,185,996**	*14,506,448*
Total 2020	*14,506,448*	*14,506,448*	

7. Analysis of income from charitable activities by category

	2021 £	2020 £
Education and Adult Skills		
Fees Receivable	**3,591,025**	*3,533,082*
Training Outlet Income	**250**	*3,326*
Other Income	**101,325**	*29,518*
	3,692,600	*3,565,926*
Care		
Fees Receivable	**10,746,605**	*10,173,764*
Other Income	**539,776**	*476,559*
	11,286,381	*10,650,323*
Employment		
Fees Receivable	**39,746**	*122,857*
	39,746	*122,857*
Corporate and Cafes		
Fees Receivable	**-**	*9,552*
Training Outlet Income	**159,829**	*74,594*
Other Income	**7,440**	*83,196*
	167,269	*167,342*

8. Income from other trading activities

Income from fundraising events

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Income from Fundraising	300	34,811	**35,111**	*43,619*
Total 2020	*3,417*	*40,202*	*43,619*	

9. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Bank Interest	-	-	*2,880*
Total 2020	*2,880*	*2,880*	

10. Expenditure on raising funds

Expenditure of voluntary income

	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Other Costs	201,959	**201,959**	*275,464*
Payroll Costs	186,997	**186,997**	*198,880*
	388,956	**388,956**	*474,344*
Total 2020	*474,344*	*474,344*	

10. Expenditure on raising funds (continued)

Fundraising expenses

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Other Fundraising Costs	12,601	**12,601**	*11,028*
Fundraising Salaries	80,078	**80,078**	*44,700*
Fundraising National Insurance	7,404	**7,404**	*4,127*
Fundraising Pension	2,402	**2,402**	*1,463*
	102,485	**102,485**	*61,318*
Total 2020	*61,318*	*61,318*	

11. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Education and Adult Skills	3,392,309	**3,392,309**	*3,236,873*
Care	10,992,598	**10,992,598**	*10,528,590*
Employment	84,696	**84,696**	*133,814*
Corporate and Cafes	167,269	**167,269**	*170,222*
	14,636,872	**14,636,872**	*14,069,499*
Total 2020	*14,069,499*	*14,069,499*	

12. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Corporate overhead allocation 2021 £	Total funds 2021 £	*Total funds 2020 £*
Education and Adult Skills	2,910,639	481,670	**3,392,309**	*3,236,873*
Care	9,511,887	1,480,711	**10,992,598**	*10,528,590*
Employment	79,447	5,249	**84,696**	*133,814*
Corporate and Cafes	2,134,899	(1,967,630)	**167,269**	*170,222*
	14,636,872	-	**14,636,872**	*14,069,499*
Total 2020	*14,069,499*	-	*14,069,499*	

Analysis of direct costs

	Education and Adult Skills 2021 £	Care 2021 £	Employment 2021 £	Corporate and Cafes 2021 £	Total funds 2021 £	*Total funds 2020 £*
Staff Costs	2,285,802	7,865,751	70,100	1,206,649	**11,428,302**	*11,121,564*
Other Direct Costs	624,837	1,646,136	9,347	928,250	**3,208,570**	*2,947,935*
	2,910,639	9,511,887	79,447	2,134,899	**14,636,872**	*14,069,499*
Total 2020	*2,734,148*	*9,299,037*	*133,814*	*1,902,500*	*14,069,499*	

13. Other expenditure

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Property Impairment	(154,690)	**(154,690)**	-
Property Profit on Disposal	(55,000)	**(55,000)**	-
Pension Scheme - Interest on Liabilities	63,000	**63,000**	*81,000*
Pension Scheme - Interest on Assets	(51,000)	**(51,000)**	*(64,000)*
Write-Off of Subsidiary Loan Balance	73,279	**73,279**	*96,697*
	(124,411)	**(124,411)**	*113,697*
Total 2020	*113,697*	*113,697*	

14. Auditors' remuneration

	2021 £	*2020 £*
Fees payable to the Trust's auditor and its associates for the audit of the Trust's annual accounts	**11,600**	*11,600*
Fees payable to the Trust's auditor and its associates in respect of:		
Taxation compliance services	**900**	-
All non-audit services not included above	**2,800**	*2,800*
Fees payable to the Trust's auditor and its associates in connection with the Trust's pension scheme(s) in respect of:		
The auditing of accounts of the scheme(s)	**1,650**	*1,614*

15. Staff costs

	2021 £	2020 £
Wages and salaries	**10,659,931**	*10,392,624*
Social security costs	**770,005**	*708,908*
Contribution to defined contribution pension schemes	**275,247**	*269,202*
	11,705,183	*11,370,734*

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

	2021 No.	2020 No.
Education and Occupational & Recreation	**112**	*106*
Care	**260**	*259*
ORS	**93**	*96*
Corporate Services	**47**	*44*
Bank Staff - Headcount	**75**	*88*
	587	*593*

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	**2**	*1*
In the band £70,001 - £80,000	**1**	*1*
In the band £100,001 - £110,000	**1**	*1*

The key management personnel of the Trust are considered to be the senior leadership team. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Trust was £379,000 (2020 - £408,000).

16. Trustees' remuneration and expenses

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

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

17. Tangible fixed assets

	Freehold and Leasehold Property £	Moveable Buildings £	Motor Vehicles £	Fixtures and Fittings £	Total £
Cost or valuation					
At 1 September 2020	**19,399,822**	**17,905**	**661,929**	**3,476,823**	**23,556,479**
Additions	**-**	**-**	**-**	**66,602**	**66,602**
Disposals	**(275,000)**	**-**	**(60,558)**	**(1,085,589)**	**(1,421,147)**
Revaluations	**1,067,662**	**-**	**-**	**-**	**1,067,662**
At 31 August 2021	**20,192,484**	**17,905**	**601,371**	**2,457,836**	**23,269,596**
Depreciation					
At 1 September 2020	**4,683**	**17,905**	**591,194**	**3,371,581**	**3,985,363**
Charge for the year	**200**	**-**	**43,320**	**66,707**	**110,227**
On disposals	**-**	**-**	**(60,558)**	**(1,082,096)**	**(1,142,654)**
At 31 August 2021	**4,883**	**17,905**	**573,956**	**2,356,192**	**2,952,936**
Net book value					
At 31 August 2021	**20,187,601**	**-**	**27,415**	**101,644**	**20,316,660**
At 31 August 2020	*19,395,139*	*-*	*70,735*	*105,242*	*19,571,116*

Properties are revalued on a five-year cycle. Valuations have been carried out to revalue properties on a market value basis. The valuations were undertaken by suitably qualified independent valuers.

The Trust has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	2021 £	*2020 £*
Freehold property	**14,939,485**	*15,081,745*

18. Fixed asset investments

The Trust deems Linkage Trading Ltd a subsidiary undertaking due to the control it exerts over the company. The results for the subsidiary are not consolidated on the grounds of immateriality.

19. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	**569,268**	*673,257*
Amounts owed by group undertakings	**50,545**	*76,803*
Other debtors	**87,828**	*131,483*
Prepayments and accrued income	**1,045,150**	*1,177,701*
	1,752,791	*2,059,244*

Trade debtors are stated after provisions for impairment of £184,660 (2020 - £33,968).

20. Current asset investments

	2021 £	2020 £
Investment portfolio	**2,480,264**	*2,161,799*

21. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	**133,332**	*133,332*
Trade creditors	**375,620**	*472,095*
Other taxation and social security	**199,854**	*195,453*
Student and resident monies held	**482,547**	*381,512*
Other creditors	**465,779**	*872,884*
Accruals and deferred income	**1,392,235**	*882,782*
	3,049,367	*2,938,058*

	2021 £	2020 £
Deferred income at 1 September	**633,272**	*196,121*
Resources deferred during the year	**860,844**	*614,903*
Amounts released from previous periods	**(450,262)**	*(177,752)*
Deferred income at 31 August	**1,043,854**	*633,272*

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

	2021 £	2020 £
Bank loans	**900,011**	*1,033,343*
Other loans	**250,000**	*250,000*
	1,150,011	*1,283,343*

Included within the above are amounts falling due as follows:

	2021 £	2020 £
Between one and two years		
Bank loans	**133,332**	*133,332*
Between two and five years		
Bank loans	**399,996**	*399,996*
Over five years		
Bank loans	**366,683**	*500,015*
Other loans	**250,000**	*250,000*

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2021 £	2020 £
Payable or repayable by instalments	**366,683**	*500,015*
Payable or repayable other than by instalments	**250,000**	*250,000*
	616,683	*750,015*

Bank loans are secured by legal charges over four freehold properties owned by the Trust with a total net book value of £4,465,000 (2020 - £4,465,000). The total bank loan balance of £1,033,343 (2020 - £1,166,675) is 23% (2020 - 26%) of the property value based on the most recent valuations.

The other loan is secured by a legal charge over one freehold property owned by the Trust which has a net book value of £275,000 (2020 - £275,000). The loan balance is 91% (2020 - 91%) of the value of the security held.

23. Statement of funds

Statement of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted Funds						
Designated Funds						
Digitalisation Reserve	144,000	-	-	-	-	144,000
General Funds						
Free Reserves	2,501,099	15,224,873	(14,757,436)	36,709	318,465	3,323,710
Property Fund	10,422,971	-	154,490	(8,928)	-	10,568,533
Revaluation Reserve	4,637,971	-	-	(132,740)	912,972	5,418,203
Pension Reserve	(884,000)	-	(12,000)	108,000	43,000	(745,000)
	16,678,041	15,224,873	(14,614,946)	3,041	1,274,437	18,565,446
Total Unrestricted Funds	16,822,041	15,224,873	(14,614,946)	3,041	1,274,437	18,709,446
Restricted Funds						
ESFA Maintenance	51,034	99,471	(28,412)	-	-	122,093
Bursary Funds	24,422	12,655	(18,513)	741	-	19,305
Big Lottery Fund	64,941	85,774	(95,829)	(8,000)	-	46,886
Forbes Trust	5,002	25,000	(24,000)	-	-	6,002
Children in Need	8,704	34,717	(35,040)	-	-	8,381
Tolkien Trust	-	50,000	(50,000)	-	-	-
Karten Trust	939	-	-	(939)	-	-
Baily Thomas	21,249	5,947	(22,689)	-	-	4,507
Lottery Heritage Fund	21,000	29,900	(50,161)	(739)	-	-

23. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Other Restricted Funds	93,030	57,169	(38,165)	5,896	-	117,930
Fixed Assets Acquired	2,949,068	-	(26,147)	-	-	2,922,921
	3,239,389	400,633	(388,956)	(3,041)	-	3,248,025
Total of Funds	20,061,430	15,625,506	(15,003,902)	-	1,274,437	21,957,471

23. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted Funds						
Designated Funds						
Digitalisation Reserve	144,000	-	-	-	-	144,000
General Funds						
Free Reserves	2,453,385	14,549,584	(14,227,314)	(263,386)	(11,170)	2,501,099
Property Fund	10,275,614	-	(200)	147,557	-	10,422,971
Revaluation Reserve	4,637,971	-	-	-	-	4,637,971
Pension Reserve	(1,005,000)	-	(17,000)	115,829	22,171	(884,000)
	16,361,970	14,549,584	(14,244,514)	-	11,001	16,678,041
Total Unrestricted Funds	16,505,970	14,549,584	(14,244,514)	-	11,001	16,822,041
Restricted Funds						
ESFA Maintenance	113,606	43,171	(95,263)	(10,480)	-	51,034
Bursary Funds	13,839	19,492	(8,909)	-	-	24,422
Promoting Independence / Developing Employment Opportunities	2,208	-	-	(2,208)	-	-
Big Lottery Fund	58,590	141,031	(137,960)	3,280	-	64,941
Forbes Trust	32,002	25,000	(52,000)	-	-	5,002
Children in Need	1,515	35,867	(28,688)	10	-	8,704

23. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 September 2019 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2020* £
Tolkien Trust	-	*50,000*	*(50,000)*	-	-	-
Karten Trust	-	*24,820*	*(23,881)*	-	-	*939*
Baily Thomas	-	*23,125*	*(4,876)*	*3,000*	-	*21,249*
British Airways Carbon Fund	-	*25,000*	*(25,000)*	-	-	-
Lottery Heritage Fund	-	*29,900*	*(9,900)*	*1,000*	-	*21,000*
Other Restricted Funds	*87,333*	*33,499*	*(22,720)*	*(5,082)*	-	*93,030*
Fixed Assets Acquired	*2,953,735*	-	*(15,147)*	*10,480*	-	*2,949,068*
	3,262,828	*450,905*	*(474,344)*	-	-	*3,239,389*
Total of Funds	*19,768,798*	*15,000,489*	*(14,718,858)*	-	*11,001*	*20,061,430*

24. Funds details

Unrestricted funds:
For clarity of presentation, the Trustees choose to show the value of property and the accumulated gains and losses as separate funds. Free Reserves above therefore represents the accumulated surplus on charitable activities.

Restricted funds:
Most of the Trust's income is in the form of fees but it also receives grants and raises funds for specific purposes. These restricted funds are described below:

ESFA Maintenance - represents funding received from the Education and Skills Funding Agency ("ESFA") to be spent on the maintenance of educational facilities.

Bursary Fund - these represent funds provided by the ESFA to financially support young people in learning at the discretion of the Trust.

Big Lottery Fund - relates to unspent funds provided by the Big Lottery Fund for the acquisition of a sensory library and its associated running costs.

Forbes Trust, Children in Need, Tolkien Trust, Karten Trust, Baily Thomas, British Airways Carbon Fund and Lottery Heritage Funds - relates to funding provided to be spent for the purposes imposed by the donor.

Other Restricted Funds - relates to various smaller donations and funds which are subject to restrictions imposed by the donor which have been combined for year-end accounting purposes.

Fixed Assets Acquired with Restricted Funds - represents the net book value of assets acquired with restricted funding streams, in particular relating to Boultham Park, Big Lottery Fund and Karten Trust.

Transfers have been recognised in the restricted funds analysis where funds have been reclassified, for the acquisition of fixed assets and also to recognise where other funds received have been allocated to other projects.

25. Summary of funds

Summary of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Designated funds	144,000	-	-	-	-	144,000
General funds	16,678,041	15,224,873	(14,614,946)	3,041	1,274,437	18,565,446
Restricted funds	3,239,389	400,633	(388,956)	(3,041)	-	3,248,025
	20,061,430	15,625,506	(15,003,902)	-	1,274,437	21,957,471

25. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 September 2019 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2020* £
Designated funds	*144,000*	-	-	-	-	*144,000*
General funds	*16,361,970*	*14,549,584*	*(14,244,514)*	-	*11,001*	*16,678,041*
Restricted funds	*3,262,828*	*450,905*	*(474,344)*	-	-	*3,239,389*
	19,768,798	*15,000,489*	*(14,718,858)*	-	*11,001*	*20,061,430*

26. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	**Unrestricted funds 2021** £	**Total funds 2021** £
Tangible fixed assets	2,922,921	17,393,739	**20,316,660**
Current assets	502,779	6,082,410	**6,585,189**
Creditors due within one year	(177,675)	(2,871,692)	**(3,049,367)**
Creditors due in more than one year	-	(1,150,011)	**(1,150,011)**
Provisions for liabilities and charges	-	(745,000)	**(745,000)**
Total	3,248,025	18,709,446	**21,957,471**

26. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Restricted funds 2020 £	*Unrestricted funds 2020* £	*Total funds 2020* £
Tangible fixed assets	*2,949,068*	*16,622,048*	*19,571,116*
Current assets	*467,996*	*5,127,719*	*5,595,715*
Creditors due within one year	*(177,675)*	*(2,760,383)*	*(2,938,058)*
Creditors due in more than one year	-	*(1,283,343)*	*(1,283,343)*
Provisions for liabilities and charges	-	*(884,000)*	*(884,000)*
Total	*3,239,389*	*16,822,041*	*20,061,430*

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

	2021 £	*2020* £
Net income for the year (as per Statement of Financial Activities)	**940,069**	*270,461*
Adjustments for:		
Depreciation charges	**110,227**	*84,007*
Property impairment	**(154,690)**	-
(Gain) / loss on investments	**(318,465)**	*11,170*
Profit on the sale of fixed assets	**(52,357)**	*(500)*
Decrease/(increase) in debtors	**306,453**	*(152,812)*
Increase in creditors	**123,832**	*866,934*
Pension finance and administration costs	**12,000**	*17,000*
Contributions to defined benefit pension schemes	**(108,000)**	*(115,829)*
Net cash provided by operating activities	**859,069**	*980,431*

28. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	1,869,587	993,160
Residents money bank accounts	482,547	381,512
Total cash and cash equivalents	2,352,134	1,374,672

29. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Changes in market value £	Other non-cash changes £	At 31 August 2021 £
Cash at bank and in hand	1,374,672	977,462	-	-	2,352,134
Debt due within 1 year	(133,332)	133,332	-	(133,332)	(133,332)
Debt due after 1 year	(1,283,343)	-	-	133,332	(1,150,011)
Liquid investments	2,161,799	-	318,465	-	2,480,264

30. Pension commitments

Linkage Community Trust operates two separate pension schemes - a Group Savings Plan and an Executive Pension Plan. The assets of both schemes are held separately from those of the Trust in independently administered funds.

Group Savings Plan:
The Group Savings Plan is a defined contribution scheme. The pension cost in the accounts represents the total pension cost for the year which amounted to £275,247 (2020 - £269,202).

The Trust operates a defined benefit pension scheme.

Executive Pension Plan:
This is a defined contribution plan with underlying guarantees of a defined benefit nature. It is therefore accounted for in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The scheme is closed to further accrual of benefits. At 31 August 2021, the scheme makes payments to six pensioners.

The following disclosures are taken from the report prepared as at 31 August 2021 by Barnett Waddingham LLP, the Plan's actuary.

30. Pension commitments (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2021 %	*At 31 August 2020 %*
Discount Rate	**1.60**	*1.50*
Retail Prices Index (RPI) Inflation	**3.60**	*3.20*
LPI Pension Increases	**3.60**	*3.20*
Assumed Percentage of Pension Taken as Tax Free Cash	**20.00**	*20.00*

	At 31 August 2021 Years	*At 31 August 2020 Years*
Mortality rates (in years)		
- for a male aged 65 now	**22.4**	*22.3*
- at 65 for a male aged 45 now	**24.2**	*24.1*
- for a female aged 65 now	**24.3**	*24.2*
- at 65 for a female aged 45 now	**26.2**	*26.1*

The Trust's share of the assets in the scheme was:

	At 31 August 2021 £	*At 31 August 2020 £*
Cash	**83,000**	*142,000*
Funds	**1,498,000**	*2,307,000*
Annuity Policies	**-**	*1,450,000*
Insured Assets	**1,402,000**	*-*
Total fair value of assets	**2,983,000**	*3,899,000*

The actual return on scheme assets was £105,000 *(2020 - £223,000)*.

The amounts recognised in the Statement of financial activities are as follows:

	2021 £	*2020 £*
Interest on assets	**(51,000)**	*(64,000)*
Interest on liabilities	**63,000**	*81,000*
Total amount recognised in the Statement of financial activities	**12,000**	*17,000*

30. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2021 £
Opening defined benefit obligation	**4,783,000**
Changes to actuarial assumptions	**11,000**
Benefits paid	**(1,129,000)**
Interest on liabilities	**63,000**
Closing defined benefit obligation	**3,728,000**

Movements in the fair value of the Trust's share of scheme assets were as follows:

	2021 £
Opening fair value of scheme assets	**3,899,000**
Interest on assets	**51,000**
Return on assets less interest	**54,000**
Contributions	**108,000**
Benefits paid	**(1,129,000)**
Closing fair value of scheme assets	**2,983,000**

31. Operating lease commitments

At 31 August 2021 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	*2020* *£*
Not later than 1 year	**7,471**	*6,655*
Later than 1 year and not later than 5 years	**5,918**	*4,285*
	13,389	*10,940*

32. Related party transactions

Linkage Trading Ltd:

Linkage Trading Ltd is a company limited by guarantee which is controlled by Linkage Community Trust.

The Trust collects monies and incurs expenses on behalf of the company. Net expenses and repayments during the year were £47,021 (2020 - £65,956).

During the year, the trustees agreed to write down the amount owing by the company to the Trust by £73,279 (2020 - £96,697).

The balance outstanding at the year-end is £50,545 (2020 - £76,803) and included within amounts owed by group undertakings.

THE LINKAGE COMMUNITY TRUST LIMITED

England & Wales - Charity number 504913

Accounts

Registered number: 01240377
Charity number: 504913

LINKAGE COMMUNITY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

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LINKAGE COMMUNITY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2020

Trustees	Mr A T Bake Mr K J Batty (appointed 30 October 2019) Mr M Bell Professor S F Brown Professor M C Hannay (appointed 29 January 2020) Mr S J Hatchman Mrs C Jervis Mrs S Kane (re-appointed 21 October 2020, resigned 3 November 2019) Mr A J Morgan (resigned 30 December 2019) Mr A S Najmaldin (resigned 29 April 2020) Mr M J Oliver (deceased 5 March 2021) Mr D Reed (appointed 29 January 2020) Mr A K Riley (resigned 28 April 2021) Mrs S M Simpson Mr M A Smith (appointed 28 April 2021) Mrs S J Stewart (resigned 4 October 2019)
Company Registered Number	01240377
Charity Registered Number	504913
Registered Office	Toynton Hall Main Road Toynton All Saints Spilsby Lincolnshire PE23 5AE
Independent Auditors	Streets Audit LLP Chartered Accountants & Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW
Bankers	Lloyds Bank plc High Street Lincoln LN5 7AP
Solicitors	Bridge McFarland 9 Cornmarket Louth Lincolnshire LN11 9PY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Investment Advisers	jch: investment management limited 1 Henley Way Doddington Road Lincoln LN6 3QR

CHAIRPERSON'S STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

The Chair presents their statement for the year.

I am very pleased to report another successful year for Linkage Community Trust, in spite of the trying circumstances of the COVID-19 pandemic from Spring 2020. This naturally saw the cancellation of a number of showpiece annual events such as the performing arts summer show and graduation ceremonies. However, the resilience of both staff and clients meant that services continued wherever possible and only a small number of isolated cases of COVID-19 were reported.

The Trust remains focussed on its vision that "People with learning difficulties and disabilities have opportunities and choice, and are supported to achieve their aspirations", and its mission "To provide person-centred services that enable individuals to develop skills and behaviours and to live independent lives".

In a challenging financial environment, Linkage remains in a sound financial position and achieved a successful financial result in the period thanks to continued control of costs and efficiency gains.

The Trust's Residential Care provision served 163 clients. Using technology to stay connected, a wide range of activities have been accessed by the people we support as everyone adapted to changing way of living. A further 121 clients were supported through the Community Support service, living in the community in either their own properties or through Linkage's ongoing partnership with Platform Housing and Local Housing Associations. The Trust benefited from additional government funding via the Infection Prevention and Control Fund, which helped provide additional staffing and reduce cross-site working and the use of agency staff.

The Adult Skills service continued to thrive and offered a growing range of opportunities to up to 75 external clients as well as to its Residential clients. This has had to adapt during the pandemic, with activities organised into secure 'bubbles' and with opportunities for users to access sessions virtually.

The Employment service worked with over 110 local employers, supporting over 50 clients and learners into work-based opportunities. The employment team has also been engaged in a new initiative with Lincolnshire County Council, delivering their Specialist Tailored Employment Partnership (STEP) programme. During the pandemic, this switched to a reduced offer, with electronic advice meetings available to Linkage clients.

March 2020 saw Linkage College inspected by Ofsted, who reported that Linkage is a "Good" College with some Outstanding features. In a positive report, Ofsted said that Linkage "provides learners with opportunities which are life changing, and support them to achieve more than they thought they could". Linkage College ended 2020 with 140 learners, a slight reduction on the previous year, but had to react to the fast-changing legislation and ways of working during the pandemic. This saw achievement fall to 84.5% (still in line with usual national benchmarking), and cemented Linkage's position in the top 5% of specialist colleges nationally. Efforts from Spring 2020 centred on preparations for the exciting new campus to be opened at Beverley in the East Riding of Yorkshire, with work ongoing with property agents and with the Local Authority. Linkage will occupy temporary accommodation (which has recently seen a deep refurbishment), before moving into larger neighbouring accommodation in September 2021, which will be refurbished to Linkage's specifications and will meet the growing student demand in this area.

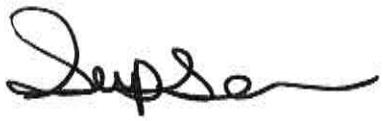
The Trust's five-year Digitalisation plan that was launched in 2019 continues at a pace. It accelerated further during the pandemic with the requirement for staff to work remotely and with face-to-face visits and meeting largely eliminated. Of note, an ambitious project to deliver an electronic time/attendance and rota system began, which will remove administrative burden from managers and their staff, and help to drive efficiencies in planning and organising staffing resources.

CHAIRPERSON'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

A study was launched in early 2020 to look at the future of the Trust's campus at Weelsby. A spectacular (but currently under-used) Victorian hall with links the local shipping industry stands in a five acre site comprising mainly woodland/parkland, but also housing some outbuildings and some more modern Linkage facilities, including the largest of the College buildings (McKenzie Building), serving North East Lincolnshire. Following a successful bid for National Lottery Heritage funding, a partner was appointed to help deliver an options appraisal for Weelsby Hall and the wider site. Summer 2020 saw the opportunity to invite stakeholders and the community to (socially distanced) events outside the Hall. Work on the options appraisal continues, and it is hoped that a secure future for Weelsby Hall serving Linkage and the community can be delivered.

Very sadly, Chairman Michael Oliver passed away in March 2021 following a long illness. Michael was a valued Trustee for 12 years and was appointed as Chair in September 2010. Like all Linkage's Trustees, he was extremely generous with his time on a voluntary basis. His enthusiastic support and passion for Linkage will be greatly missed.

Finally, I must pay tribute to the skills and dedication of staff in especially trying times who have cared for those we support, and have made all of Linkage's achievements possible in the past year.



Mrs S M Simpson
Date: 25 May 2021

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the audited financial statements of the Trust for the year 1 September 2019 to 31 August 2020. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015) and Update Bulletin 2 (effective 1 January 2019).

STRUCTURE

The Trust is both a company limited by guarantee as defined by the Companies Act 2006 and a registered charity. Its governing document is the Articles of Association adopted on 1 May 2019.

OBJECTIVES AND ACTIVITIES

Aims and Objectives

The objects of the Trust are set out in the Articles of Association. More specifically, the Trust provides specialist further education, residential care and community support, adult skills and a range of employment services which, taken together, are intended to enable people with learning difficulties and other disabilities to realise their full potential and achieve independence. There has been no substantive change in the charitable objects during the period under review.

Significant Activities

During the year, the Trust operated from college campuses in Toynton, Grimsby and Lincoln, residential and day care services based in Toynton, Scremby, Skegness, Louth, Grimsby, Alford, Lincoln and Mablethorpe. It also operated from more than 30 'satellites' (residential care homes, student residences, workshops, cafes etc) situated in East Lindsey, North East Lincolnshire and the City of Lincoln.

Related Parties

Linkage Trading Limited is a company limited by guarantee established in the year 2000 to provide a vehicle for the conduct of commercial activities that support, promote or otherwise enhance the aims and objectives of the Trust.

Linkage Trading Limited is governed by its own board of directors, although by deed of covenant dated 30 March 2001, the whole of the annual surplus of Linkage Trading Limited, if any, is to be paid to the Trust. An option deed dated 30 March 2001 exists whereby at any time Linkage Community Trust has the right to acquire the assets and undertakings of Linkage Trading Limited.

ACHIEVEMENT AND PERFORMANCE

Linkage Community Trust continues to strive to reach and bring choice and opportunity to as many individuals as possible. In order to do this it provides a number of core services in order to maximise its offer to the communities it serves. An overview of their activities during this period is provided below.

Adult Skills

From the beginning of the 2019 financial year Adult Skills continued to move forward with new initiatives, with plans made throughout the year and in what was to be a year like no other, Adult Skills has endeavoured to adapt and revise delivery so that we can continue to provide support to those that we provide services to.

Providing our clients with opportunities and guidance on well-being and living healthy lifestyles was showcased in our 3rd Annual Adult Skills Health and Well-being Awards in November and throughout the year clients have shared their own healthy lifestyle choices through social media relating to cooking, exercise and outdoor activities supported by the Adult Skills Team including outdoor excursions and activities.

From March 2020 and the beginning of the first national lockdown there was a decrease of external clients attending the centres. Adult Skills was deemed an essential service and we therefore stayed open for some of our clients for whom being at home was not a feasible option. Toynton and Grimsby delivered a reduced service, and Lincoln temporarily closed its doors as all families there made the decision to keep their son/daughter at home. Adult Skills staff were successfully redeployed to residential homes to supplement the staff there and provide support as clients were now not accessing the centres and staff remaining took up the opportunity to make regular contact with families and ensure they were kept up to date and were supported throughout this challenging period.

As we came out of the first lockdown numbers accessing the centres began to rise as people became more comfortable with the 'new normal'. We reviewed how we could deliver activities to keep people engaged, and new initiatives such as weekly challenges, competitions, Zoom sessions for Performing Arts and Walking for Health were introduced.

We had 75 external clients accessing across the service on a face-to-face basis with additional outreach and Zoom sessions introduced for all residential care homes.

Care Services
Care Services comprises Residential Care, Community Support and Employment Services. During the period under review Care Services served almost 163 clients within its 23 residential care homes and 121 clients through its Community Support service, with others benefitting from access to our Respite service.

Community Support services supports clients in the community either in their own private accommodation or in managed properties provided through our ongoing partnership work with Platform Housing (previously Waterloo) and Local Housing Authorities.

The last year has seen a time of drastic change for our care services across residential and community support as the trust responded to the COVID-19 pandemic. People within receipt of our care will have experienced new ways of receiving their support, such as:

- the introduction of PPE at all times when support is provided;
- the requirements for the staff who support them to be tested weekly, and to receive a test monthly themselves;
- ever changing Government guidance has seen great impact in the choice and control for our clients on how they live their lives;
- not being able to see or have physical contact with family members and friends;
- the introduction of the concept of 'bubbles' and needing to stay within a group of identified people in one location;
- the opportunities and relationships with the local community have become cut off as shops, local cafes, pubs and other hospitality services have been closed; and
- cross-site movement of people has also prevented people within our care services being able to access activities provided by our adult skills centres from the main sites in which we operate.

Despite these implications, the clients we support and our colleagues who support them have demonstrated an amazing resilience in the face of such adversity

As Government guidance has changed we have maximised the opportunities for people to be able to connect with their families and to provide activities in person. This has seen a variety of focused activities delivered to each care home bubble, such as walking group, cross country cycling, couch to 1k and regular trips to safe local spaces – at times for only 45 minutes a day.

Linkage Care services has received additional grants through the Infection Prevention & Control (IPC) fund to support its response to the COVID-19 pandemic.

Despite the challenging second half of the year, new processes have continued to be introduced that have enabled us to be more responsive, more tailored to the needs, wishes and vulnerabilities of the people Linkage supports, and to ensure that our clients have the skills they need to lead a life that is safe and makes sense to them.

The Trust has continued on its journey to digitalise systems and processes that will directly benefit and modernise the service it provides for the people we support, which will enable the Trust to be as efficient as possible with its resources, as well as ensuring that clients have all the accessible technology in place they need to lead an engaged, interactive and independent life.

The Employment Team again worked with over 110 local employers, supporting over 50 clients and learners to access opportunities in volunteering, work experience, community engagement, supported internships and paid employment.

During this year the team has also been engaged in the delivery of the STEP service (Specialist Tailored Employment Partnership), which is a new venture between Lincolnshire County Council and Linkage Community Trust fully in tune with our own objectives.

We have endeavoured to adhere to shifting Government guidance, and are maintaining our COVID-secure person centred approach to safely support individuals to retain and resume their employment, volunteer activities, work experience and internship placements wherever possible.

Education
The 2019/2020 academic year at the college was unique. The coronavirus pandemic meant that learners enjoyed two terms of normal college life and one term in total lockdown. Just prior to the national lockdown in March 2020 the College was inspected by Ofsted, one of the final inspections by Ofsted before the pandemic struck. The college received a superb report regarding its provision and the endorsement by Ofsted that Linkage is a "Good" college with some outstanding features.

Ofsted stated in their report, "Linkage provide learners with opportunities which are life changing, and support them to achieve more than they thought they could."

The monumental efforts and resourcefulness of the college's staff teams ensured learners were still engaged, which resulted in an achievement rate of 84.5%. Despite the pandemic the college's achievement rate was still in line with national averages in a non-pandemic year which is a phenomenal result in the circumstances. This outstanding achievement maintained Linkage College's stature in the top 5% of specialist colleges nationally. The college's retention rate of its 140 learners remained high at 96.8%.

The college began the academic year in September 2019 with a new, comprehensive curriculum strategy that was linked directly to curriculum goals. The strategy was praised by Ofsted for its vision, ambition and flexibility. However, during March 2020, the implementation of the curriculum changed significantly due to the pandemic. Staff had to quickly find a different way of working and effectively tailor the curriculum to ensure that learners could still meet their learning objectives. Staff developed bespoke work packs that mirrored each individual's timetable as well as introducing virtual sessions. Weekly challenges and interactive activities were introduced along with support hotlines for learners and parents, leading to 87% engagement of learners. The weekly challenge competition, in line with weekly themes, was extremely popular. On average there were 25-30 entrants across all campuses and the judging panel of managers regularly chose a number of winners each week, such was the standard of learners' work.

Ofsted stated in their report: "Staff celebrate diversity, and learners work well together, respect their peers, and have empathy towards each other's disabilities."

Health and well-being are effectively embedded into all areas of the curriculum. In November 2019 a cohort of 25 (18%) learners across all campuses participated in a residential trip through the National Citizen Service.

Activities included: abseiling, kart building, rock climbing, zip wire, high ropes and archery. Sessions relating to online safety have supported the introduction of virtual learning environments. In December 2019, Chris Arnold from the local police visited to discuss how to keep safe during dark nights, and Anna Wooster CEO of Greenio Ltd visited to discuss climate change. All learners are given the same opportunities and supported to enter various competitions, such as a Boccia tournament in Leicestershire, and an Arts skills competition hosted by Landmarks College.

A range of continuous improvement initiatives were undertaken with the support of the Board in 2019/2020. Linkage was awarded a £25,000 grant from the Karten Trust to upgrade ICT kit and software for learners. Linkage also received a grant which helped our Lincoln campus to purchase IT equipment and provided laptops for staff to work from home and facilitate virtual learning. The Board held a strategy day in November 2019 which approved plans for the East Riding campus following the presentation of a Suitability, Feasibility and Accessibility report plus risk assessment and business plan. The Linkage College East Riding campus was made ready to open to deliver an initial service and raise profile from September 2020.

Linkage Outreach Project (Sensory Bus/Library)
During this year under review the Linkage Outreach Project was created, with a second grant from the National Lottery Community Fund (formerly the Big Lottery Fund) and a wider remit.

The core remains work delivered on the Sensory Bus which during the year worked with 22 organisations, predominantly primary schools, and 425 children and adults including sessions in 3 nursing homes, a special school and a Children's Centre. Most beneficiaries were pupils with special educational needs and the outcomes were:

97% happier
31% improved ability to share and interact
46% calmer and better able to sleep
48% more independent
16% better concentration

One of the most useful aspects of the work remains the beneficiaries' teachers and carers being able to observe what those in their care respond to and to take away ideas. The Development Workers have advised schools on creating their own Sensory Spaces.

We began delivery of LEGO®-based therapy to schools to build team work and co-operation, and was delivered to 40 children working alongside teachers or support staff so that the schools could continue delivery at the end of the sessions. This has been an unqualified success and very popular with both children and staff.

The project also delivered:

- Training days on the bus for 97 trainee teachers at Bishop Grosseteste University, and for trainee nursery teachers in Sleaford.
- Devolution of the Sensory Library to Rainbow Stars.
- A link to the Block Bus in Norfolk to learn from each other's work.

Young Futures Project (Children & Families Development Worker)
The Young Futures Project, supported by BBC Children in Need, entered its third year of funding. The project works with children across Greater Lincolnshire, all of whom have special educational needs and disabilities, who struggle to access the same opportunities in education, training, within the community and social activities as their non-disabled peers. Over the last year the Development Worker has supported 75 young people and their families.

Many of the families are within the lowest income group and living in poverty so are doubly disadvantaged, and a number of the young people have experienced abuse and/or live in chaotic circumstances which has impacted upon their development.

The support offered to young people and their family varies depending upon their individual needs. There has been an increase of referrals from parents, carers and professionals regarding children who have Autism, ADHD and/or Tourette syndrome. Many are struggling to address and manage anxiety, resulting in the parent/carer feeling unable to support their child at home or in the community. The project has supported parents and schools to put strategies in place which has enabled the children to speak out when feeling anxious, and also provide environments which have helped to relieve some of their anxieties. The project works in partnership with the Sensory Library/Linkage Outreach Project, offering the loan of sensory equipment to support relaxation, and to enable the children to feel more secure and confident.

The level and period of time the young person is supported is bespoke, and can range from advice being given over the phone to weekly visits to the home or school over several months. Both parents and young people state that as a direct result of the Children & Families Development Worker's support they are being "listened to".

Following a second successful application, BBC Children in Need have agreed to continue to fund the Project for a further three years.

Digitalisation
The objective of the comprehensive Linkage-wide Five-Year Linkage Digital Strategy is to coordinate and update the many manual systems in use across Linkage used to collate, process and secure essential information, and become a digitally mature organisation. The fulfilment of the strategy will not only secure our systems and data against cyber-attack, but also increase efficiency, allowing more time to be spent with clients and students and lead to significant savings to enhance the financial sustainability of the Trust. It will also embed the critically important adaptation to COVID-secure blended learning by Linkage College by offering a Virtual Learning Environment.

We have completed the successful implementation of Year 1 of the strategy. This focused on a process review, and the selection and implementation of software solution Planday to drive efficiencies in processes such as Planning, Scheduling, Time and Attendance, Timesheets and Reporting, and has already resulted in significant cost savings and efficiencies being realised.

Supported by a further successful funding bid, Year 2 planned activity includes the primary aims to establish the cybersecurity of systems and data: complete the roll-out of Planday to 500 Linkage staff: and to create a Virtual Learning Environment (VLE) to serve all learners across our college campuses. The VLE will facilitate the delivery of blended learning (a diverse offer of face-to-face, remote, and virtual teaching) to ensure that we continue to deliver a comprehensive learning experience to our learners that is engaging and enjoyable as well as effective. This will strengthen our COVID-secure practice and also support and engage learners when they cannot attend college.

At the conclusion of our Five-Year Digital Strategy a transformational change that will positively impact our clients, learners, parents, staff, partners and stakeholders will have occurred. In short, the Digital Strategy aims to improve the experience of all those who come into contact with Linkage in any way.

GOVERNANCE AND MANAGEMENT

Trustees and Directors / The Board and its Sub-Committees
The Trust is governed by a Board of Trustees which meets six times a year on a pre-planned basis, and more frequently if required. In addition the Board has an annual strategy day and Trustees receive financial and other updates between board meetings. All Trustees give of their time freely. Trustees are required to disclose all relevant interests and to withdraw from any decisions where a conflict of interest arises. No notice was received of any changes to Trustees' interests in the year. In addition to meeting as a full board, Trustees also contribute to the governance process through the Care and Employment, Education and Finance Committees.

The Trustees who served the Trust during the year are listed on page 1 of this report.

Recruitment and Appointment of New Trustees
Subject always to the requirements of the law and the Trust's Articles of Association, the Board is empowered to appoint as a trustee any person who is willing to act, either to fill a casual vacancy or by way of an addition to the Trustees.

Induction and Training of Trustees
A programme of induction and development has been available to all the Trustees, covering all the main features of the Trust's activities and the duties and responsibilities of Trustees. In addition most meetings of the Board are preceded by a Trustee Development Session, where presentations are made to the Trustees on various aspects of the Trust's activities and on developments in the environment in which the Trust operates.

Organisational Structure
Responsibility for each major area of activity (Care, Education and Finance) is delegated to what Linkage (but not Companies House) describes as a 'Director', each of whom reports to the Chief Executive. The Chief Executive and the Directors make up the Senior Management Team (SMT), which reports regularly and routinely to the Board of Trustees.

Remuneration of Key Management Personnel
The remuneration of key management personnel is reviewed on an annual basis by the Finance Committee.

Wider Networks

Membership
The Trust is a full member of the Association of Colleges (providing an umbrella over the entire FE sector), the Association for Real Change (providing an umbrella over the care sector), the British Association for Supported Employment, the National Association for Special Educational Needs, the National Association of Specialist Further Education Colleges, the National Council of Voluntary Organisations, Voluntary Organisations Disability Group and the Lincolnshire Chamber of Commerce.

Key Stakeholders
Other organisations with which the Trust works closely include the Education and Skills Funding Agency, local authority Social Services and other departments, various inspection regimes (especially Ofsted and the Care Quality Commission) and a number of quality assurance organisations (such as Investors in People).

Working in Partnership
Both formally and informally, the Trust works closely and collaboratively with a wide range of other service providers, including mainstream and specialist FE colleges, housing associations, local authorities, other care providers and local employers, both individually and through a variety of professional networks.

Risk Management
The Trustees are satisfied that adequate systems are in place to identify and manage those risks to which the Trust is from time to time exposed.

External Risks
The funding of further education for those with a learning disability has been in a state of flux for a number of years. The functions of the Learning and Skills Council were transferred to the Young Persons Learning Agency ("YPLA") in April 2010 and then to the Education and Skills Funding Agency in April 2012. In 2011 the allocation of funds from YPLA was largely transferred to local authorities and in 2013 funding of general and independent specialist further education changed again with local authorities gaining greater powers, although broadly putting the funding of general and independent specialist further education colleges on a very similar basis. Potential students, particularly from outside Lincolnshire, are finding it increasingly difficult to obtain funding, especially for residential placements and for tuition on more than three days per week.

Those who secure funding for a place at the Trust's college are tending to present with more complex needs and require significant levels of support. To address this issue the college is implementing and will continue to seek more flexible models of staff employment.

Costs continue to rise throughout the Trust, due to inflation, increases in the minimum wage and the National Living Wage, but, in past years, income has not matched that, with very few commissioners agreeing to increases in fees, and indeed with decline in average College fees. The Trust continues to make efficiency gains.

The Trust is required to operate within a regulatory environment that is also continually changing.

For these reasons and others, strategic plans have been reviewed, and it is the Trust's intention to permit and encourage the diversification of each of the Trust's core services (Education, Care and Employment), to take those services 'out of county' and to provide opportunities for the generation of non-fee based income through targeted funding and fundraising campaigns.

Internal Risks
The Board always ensures that the charity has strong 'control procedures' in place to safeguard its assets. At a governance level, these include a formal programme of trustee induction and development, bi-monthly board meetings, the inclusion of 'standing items' on each board meeting's agenda (including equality and diversity, health and safety, safeguarding and legal compliance), a formal review of board information needs and the committee structure which permits increased delegation of board-level scrutiny.

Financial Risk
Financial risk is minimised by the strict adherence to policies and of procedures governing all aspects of financial management. These policies and procedures are regularly and routinely reviewed to ensure that they continue to meet the needs of the Trust.

Risk Assessment
The Board has adopted a corporate risk management framework that enables the Trustees to monitor the status of identified risks to the Trust, to be assured that suitable plans and provisions are made by management and to be associated regularly and routinely with the production of a corporate risk register. Given the vulnerable nature of the Trust's service users, risk assessment is an integral part of the day-to-day activity of many staff and managers. It is the higher level, strategic risk analysis that is the current focus of the Board of Trustees and the Senior Management Team.

Public Benefit Reporting
When reviewing the Trust's objectives and aims and in planning future activities, the Trustees confirm that they have complied with relevant legislation and have paid due regard to guidance published by the Charity Commission. The Trustees have referred to the guidance and have aimed to summarise the activities in this report and to demonstrate that they have helped further the Trust's aims and objectives as detailed above.

LINKAGE STAFF

Major Achievements

The staff at Linkage remains its greatest asset. Their commitment to the education, care and welfare of the Trust's clients has remained consistently high. Year on year, the achievements of all the staff are reflected in personal targets and reviewed in annual appraisals. Performance against targets built into each division's operating plan is also monitored routinely and reviewed annually. During the period under review, the Trust's care services continued to obtain consistently high grades from the Care Quality Commission and the Linkage College Ofsted maintained its rating of 'Good' with outstanding elements' in its last inspection.

Employee Involvement and Staff Development

Linkage has possessed Investor in People (IIP) status since November 1995, and was successfully re-assessed in 2017.

The Trust's commitment to training and development is considerable and seeks both to enhance the quality of its work and to maintain its enviable market position. Various means are employed to ensure that staff at all levels and at all sites are informed of and able to contribute to developments occurring across the organisation. Although there is no formal trade union involvement, a Linkage-wide consultative body, the Staff Representatives Group, has actively assisted the Trust during recent restructure initiatives.

Disabled Persons

The Trust's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Disabled employees receive appropriate training to facilitate and encourage career development. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts. The Trust continues to use and develop its commitment to the 'two ticks' disability symbol promoted by the Department for Work and Pensions.

FUTURE DEVELOPMENTS

Strategic Planning

The strategic plan is revised annually and re-submitted to the Board of Trustees for amendment and / or approval. This was the fourth year of implementing the five year plan covering the period from 2016 to 2021. The plan outlines the journey for the next five years and sets out clearly the Trust's vision, mission and values, and the actions the Trust will take to achieve its objectives.

Key Objectives

The plan sets out the Trust vision:

'People with learning difficulties and disabilities have opportunities and choice and are supported to achieve their aspirations'.

The Trust's mission:

'To provide person centred services that enable individuals to develop skills and behaviours to live independent lives.'

The plan sets three priorities:

Priority 1: Putting People First - Linkage will focus on helping the people it supports live the life they choose.

Priority 2: Working Together - Linkage will focus on working collaboratively with other organisations, agencies and experts to offer a range of solutions for people, their families and carers.

Priority 3: Growing our Business - Linkage will develop focus on delivering more services for more people, whether they need a lot of support, or just occasionally.

FINANCIAL REVIEW

Summary of the Results for 31 August 2020

Despite continuing to face significant financial pressures, the restructuring over recent periods in addition to tight control of costs have enabled the Trust to record an operating surplus for the year before revaluations of £270,461 (2019: £422,654).

The results for the year further include the effects of the property revaluations and the actuarial movement on the Trust's defined benefit pension scheme. Overall, the accounts show a net positive movement of funds of £292,632 (2019: £267,199).

Reserves Policy

The Board of Trustees has reviewed its reserves policy and re-examined the Trust's requirements for free reserves in light of both the predominant risks to the Trust and its need for working capital. In completing this review Trustees analysed existing funds, assessed the reliability of future income streams, reviewed committed expenditure and the extent to which it is controllable and assessed the risk, to identify potential commitments and contingencies, together with the likelihood that these risks will materialise and give rise to new commitments. This assessment placed the minimum requirement of free reserves at £1.5million.

As at 31 August 2020, free reserves were £2,501,099 (2019: £2,453,385) based upon calculations which exclude the unrealised pension liability.

Principal Funding Sources

The Trust's principal funding source has always been the public purse: with various agencies of government funding its education and care services. In recent years, Linkage College has been funded by a succession of national funding agencies, most recently, the Education and Skills Funding Agency, but now with decision making and an important element of funding devolved to local authorities. Funding of Linkage's care services continues to be delivered by local authority social service departments.

Funds in Deficit

The Trustees are not aware of any funds being overspent. As the balance sheet illustrates, the Trust has assets which are sufficient to meet the Trust's obligations on a fund by fund basis. It is also worth noting that budgetary controls are in place which do not permit funds to go into deficit.

Fundraising Activities

For most of its history, the Trust has been able to rely upon fee income from activities. In recent years, however, it has become increasingly clear that, if the Trust wishes to maintain its pursuit of excellence and to benefit from opportunities to explore new markets and test new services, it will need to develop a non-fee based income stream. For this reason, it has embarked upon a fundraising campaign.

Investment Policy and Objectives

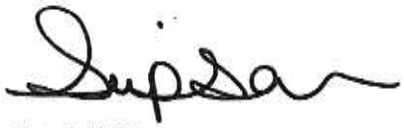
The Trustees' investment powers are prescribed in the Trust's Articles of Association. The Trustees are permitted to invest any monies of the Trust not immediately required for its purpose in or upon such investments, securities or property as the management committee shall think fit and is allowed by law. During the year under review, the Trust's investment portfolio that was managed by J M Finn & Co was transferred to a new portfolio managed by jch: management services limited.

Internal and External Factors

The Trustees have made a full assessment of the internal and external factors that may affect these financial statements and do not deem any factors material enough to have an impact.

Funds held as Custodian for Others
Included in creditor balances is £381,512 (2019: £385,156) due to students and residents in respect of monies held on their behalf in bank accounts in the Trust's name. This amount is also included in the figure for cash at bank and in hand on the balance sheet.

Approved by order of the members of the Board of Trustees on 25 May 2021 and signed on their behalf by:



Mrs S M Simpson

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

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

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

Mrs S M Simpson

25 May 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST

Opinion

We have audited the financial statements of Linkage Community Trust (the 'trust') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKAGE COMMUNITY TRUST (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Anderson (Senior statutory auditor)
for and on behalf of
Streets Audit LLP
Chartered Accountants & Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW

Date: 25 May 2021

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Income from:					
Donations, grants and legacies:	4				
Donations		**9,285**	**54**	**9,339**	*18,303*
Grants		**438,203**	**-**	**438,203**	*323,792*
Charitable activities	6	**-**	**14,506,448**	**14,506,448**	*14,352,758*
Other trading activities	8	**3,417**	**40,202**	**43,619**	*48,733*
Investments	9	**-**	**2,880**	**2,880**	*3,271*
Total income		**450,905**	**14,549,584**	**15,000,489**	*14,746,857*
Expenditure on:					
Raising funds:	10				
Expenditure of voluntary income		**474,344**	**-**	**474,344**	*399,583*
Fundraising expenses		**-**	**61,318**	**61,318**	*62,037*
Charitable activities	11	**-**	**14,069,499**	**14,069,499**	*14,164,264*
Other expenditure	13	**-**	**113,697**	**113,697**	*(230,533)*
Total expenditure		**474,344**	**14,244,514**	**14,718,858**	*14,395,351*
Net (expenditure)/income before net (losses)/gains on investments		**(23,439)**	**305,070**	**281,631**	*351,506*
Net (losses)/gains on investments		**-**	**(11,170)**	**(11,170)**	*71,148*
Net movement in funds before other recognised gains/(losses)		**(23,439)**	**293,900**	**270,461**	*422,654*
Other recognised gains/(losses):					
Gains on revaluation of fixed assets		**-**	**-**	**-**	*305,000*
Actuarial gains/(losses) on defined benefit pension schemes	31	**-**	**22,171**	**22,171**	*(460,455)*
Net movement in funds		**(23,439)**	**316,071**	**292,632**	*267,199*

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Reconciliation of funds:					
Total funds brought forward		**3,262,828**	**16,505,970**	**19,768,798**	*19,501,599*
Net movement in funds		**(23,439)**	**316,071**	**292,632**	*267,199*
Total funds carried forward		**3,239,389**	**16,822,041**	**20,061,430**	*19,768,798*

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

The notes on pages 24 to 53 form part of these financial statements.

LINKAGE COMMUNITY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 01240377

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note		2020 £		2019 £
Fixed assets					
Tangible assets	17		**19,571,116**		*19,564,404*
			19,571,116		*19,564,404*
Current assets					
Debtors	19	**2,059,244**		*1,919,335*	
Investments	20	**2,161,799**		*2,174,291*	
Cash at bank and in hand		**1,374,672**		*579,193*	
		5,595,715		*4,672,819*	
Creditors: amounts falling due within one year	21	**(2,938,058)**		*(2,046,750)*	
Net current assets			**2,657,657**		*2,626,069*
Total assets less current liabilities			**22,228,773**		*22,190,473*
Creditors: amounts falling due after more than one year	22		**(1,283,343)**		*(1,416,675)*
Net assets excluding pension liability			**20,945,430**		*20,773,798*
Defined benefit pension scheme liability	31		**(884,000)**		*(1,005,000)*
Total net assets			**20,061,430**		*19,768,798*

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note		2020 £		2019 £
Charity funds					
Restricted funds	23		**3,239,389**		*3,262,828*
Unrestricted funds					
Designated funds	23	**144,000**		*144,000*	
General funds	23	**12,924,070**		*12,728,999*	
Revaluation reserve		**4,637,971**		*4,637,971*	
Unrestricted funds excluding pension asset	23	**17,706,041**		*17,510,970*	
Pension reserve	23	**(884,000)**		*(1,005,000)*	
Total unrestricted funds	23		**16,822,041**		*16,505,970*
Total funds			**20,061,430**		*19,768,798*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 25 May 2021 and signed on their behalf by:

Mrs S M Simpson

The notes on pages 24 to 53 form part of these financial statements.

. **General funds analysis**

	2020 £	2019 £
Amounts Invested in Land and Buildings	**11,839,646**	*11,825,621*
Loans Secured on Property	**(1,416,675)**	*(1,550,007)*
Free Reserves	**2,501,099**	*2,453,385*
	12,924,070	*12,728,999*

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	2020 £	*2019* *£*
Cash flows from operating activities		
Net cash used in operating activities	**980,431**	*(454,095)*
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	**500**	*185,508*
Purchase of tangible fixed assets	**(52,120)**	*(344,766)*
Net cash used in investing activities	**(51,620)**	**(159,258)**
Cash flows from financing activities		
Repayments of borrowing	**(133,332)**	*(66,666)*
Net cash used in financing activities	**(133,332)**	**(66,666)**
Change in cash and cash equivalents in the year	**795,479**	**(680,019)**
Cash and cash equivalents at the beginning of the year	**579,193**	*1,259,212*
Cash and cash equivalents at the end of the year	**1,374,672**	*579,193*

The notes on pages 24 to 53 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

The Trust is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £1 per member of the Trust.

The Trust's registered office is Toynton Hall, Main Road, Toynton All Saints, Spilsby, Lincolnshire, PE23 5AE.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Linkage Community Trust 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.

2.2 Consolidation

These financial statements represent the figures of the Trust only. Consolidated financial statements have not been prepared on the basis that the subsidiary company is not material to the financial statements.

2.3 Income

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

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes the direct costs incurred in relation to restricted voluntary income received.

Expenditure on charitable activities is incurred on undertaking the activities which further the Trust's objectives. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and an allocation of a corporate overhead.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Freehold Property is initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, a Trust may need to estimate fair value using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the Statement of financial activities, with a separate revaluation reserve being shown in the Statement of funds note.

Other tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold Property	- no depreciation - see below
Leasehold Property	- over the remaining lease term
Movable Buildings	- straight line over 10 years
Motor Vehicles	- straight line over 4 years
Fixtures and Fittings	- straight line over 3 years

Freehold Property is not depreciated on the grounds of immateriality. Freehold Property is subject to regular maintenance and repair such that in the Trustees opinion the residual value is not materially different from the value in the financial statements and has a long useful economic life. The Trustees consider the need for impairment at each period end.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

2.7 Debtors

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

2.8 Current asset investments

Investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliabily in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

2.9 Cash at bank and in hand

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

2. Accounting policies (continued)

2.10 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.11 Financial instruments

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

2.12 Operating leases

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

2.13 Pensions

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

The Trust operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 August 2020.

2.14 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the Trust's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

The recoverability of trade debtors and associated provisioning is considered on a regular basis. When calculating the debtor provision, the Trustees consider the age of the debts and the financial position of its service users.

The present value of the defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 30, will impact the carrying amount of the pension liability.

4. Income from donations and legacies

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Donations	9,285	54	**9,339**
Grants	438,203	-	**438,203**
	447,488	54	**447,542**

	Restricted funds 2019 £	*Unrestricted funds 2019 £*	*Total funds 2019 £*
Donations	*18,323*	*(20)*	*18,303*
Grants	*323,792*	-	*323,792*
	342,115	*(20)*	*342,095*

5. Analysis of grants

	2020 £	*2019 £*
ESFA	**75,767**	*84,834*
Big Lottery Fund	**141,031**	*137,531*
Children in Need	**35,867**	*26,927*
Forbes Trust	**25,000**	*24,500*
Tolkien Trust	**50,000**	*50,000*
Karten Trust	**24,820**	-
Baily Thomas	**23,125**	-
British Airways Carbon Fund	**25,000**	-
Heritage Lottery	**29,900**	-
Other	**7,693**	-
	438,203	*323,792*

6. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £
Education and Adult Skills	3,565,926	**3,565,926**
Care	10,650,323	**10,650,323**
Employment	122,857	**122,857**
Corporate and Cafes	167,342	**167,342**
	14,506,448	**14,506,448**

6. Income from charitable activities (continued)

	Unrestricted funds 2019 £	*Total funds 2019 £*
Education and Adult Skills	*3,657,443*	*3,657,443*
Care	*10,322,936*	*10,322,936*
Employment	*140,465*	*140,465*
Corporate and Cafes	*231,914*	*231,914*
	14,352,758	*14,352,758*

7. Analysis of income from charitable activities by category

	2020 £	*2019 £*
Education and Adult Skills		
Fees Receivable	**3,533,082**	*3,610,099*
Training Outlet Income	**3,326**	*6,302*
Other Income	**29,518**	*41,042*
	3,565,926	*3,657,443*
Care		
Fees Receivable	**10,173,764**	*9,865,986*
Other Income	**476,559**	*456,950*
	10,650,323	*10,322,936*
Employment		
Fees Receivable	**122,857**	*140,465*
	122,857	*140,465*
Corporate and Cafes		
Fees Receivable	**9,552**	*40,311*
Training Outlet Income	**74,594**	*162,838*
Other Income	**83,196**	*28,765*
	167,342	*231,914*

8. Income from other trading activities

Income from fundraising events

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Income from Fundraising	3,417	40,202	**43,619**

	Restricted funds 2019 £	*Unrestricted funds 2019 £*	*Total funds 2019 £*
Income from Fundraising	*2,021*	*46,712*	*48,733*

9. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank Interest	2,880	**2,880**

	Unrestricted funds 2019 £	*Total funds 2019 £*
Bank Interest	*3,271*	*3,271*

10. Expenditure on raising funds

Expenditure of voluntary income

	Restricted funds 2020 £	Total funds 2020 £
Other Costs	275,464	**275,464**
Payroll Costs	198,880	**198,880**
	474,344	**474,344**

	Restricted funds 2019 £	*Total funds 2019 £*
Other Costs	*151,479*	*151,479*
Payroll Costs	*248,104*	*248,104*
	399,583	*399,583*

Fundraising expenses

	Unrestricted funds 2020 £	Total funds 2020 £
Other Fundraising Costs	11,028	**11,028**
Fundraising Salaries	44,700	**44,700**
Fundraising National Insurance	4,127	**4,127**
Fundraising Pension	1,463	**1,463**
	61,318	**61,318**

10. Expenditure on raising funds (continued)

	Unrestricted funds 2019 £	*Total funds 2019 £*
Other Fundraising Costs	*13,732*	*13,732*
Fundraising Salaries	*43,873*	*43,873*
Fundraising National Insurance	*3,197*	*3,197*
Fundraising Pension	*1,235*	*1,235*
	62,037	*62,037*

11. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	**Total funds 2020 £**
Education and Adult Skills	3,236,873	**3,236,873**
Care	10,528,590	**10,528,590**
Employment	133,814	**133,814**
Corporate and Cafes	170,222	**170,222**
	14,069,499	**14,069,499**

11. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	Unrestricted funds 2019 £	*Total funds 2019 £*
Education and Adult Skills	*3,422,598*	*3,422,598*
Care	*10,360,282*	*10,360,282*
Employment	*146,199*	*146,199*
Corporate and Cafes	*235,185*	*235,185*
	14,164,264	*14,164,264*

12. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	**Corporate overhead allocation 2020 £**	**Total funds 2020 £**
Education and Adult Skills	2,734,148	502,725	**3,236,873**
Care	9,299,037	1,229,553	**10,528,590**
Employment	133,814	-	**133,814**
Corporate and Cafes	1,902,500	(1,732,278)	**170,222**
	14,069,499	-	**14,069,499**

	Activities undertaken directly 2019 £	*Corporate overhead allocation 2019 £*	*Total funds 2019 £*
Education and Adult Skills	*2,877,984*	*544,614*	*3,422,598*
Care	*8,966,144*	*1,394,138*	*10,360,282*
Employment	*146,199*	-	*146,199*
Corporate and Cafes	*2,173,937*	*(1,938,752)*	*235,185*
	14,164,264	-	*14,164,264*

12. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Education and Adult Skills 2020 £	Care 2020 £	Employment 2020 £	Corporate and Cafes 2020 £	Total funds 2020 £
Staff Costs	2,163,421	7,737,698	118,949	1,101,496	**11,121,564**
Other Direct Costs	570,727	1,561,339	14,865	801,004	**2,947,935**
	2,734,148	9,299,037	133,814	1,902,500	**14,069,499**

	Education and Adult Skills 2019 £	*Care 2019 £*	*Employment 2019 £*	*Corporate and Cafes 2019 £*	*Total funds 2019 £*
Staff Costs	*2,326,966*	*7,283,575*	*128,219*	*1,285,134*	*11,023,894*
Other Direct Costs	*551,018*	*1,682,569*	*17,980*	*888,803*	*3,140,370*
	2,877,984	*8,966,144*	*146,199*	*2,173,937*	*14,164,264*

13. Other expenditure

	Unrestricted funds 2020 £	Total funds 2020 £
Pension Scheme - Interest on Liabilities	81,000	**81,000**
Pension Scheme - Interest on Assets	(64,000)	**(64,000)**
Write-Off of Subsidiary Loan Balance	96,697	**96,697**
	113,697	**113,697**

13. Other expenditure (continued)

	Unrestricted funds 2019 £	*Total funds 2019 £*
Property (Profit) / Loss on Disposal	*(71,153)*	*(71,153)*
Pension Scheme - Interest on Liabilities	*105,000*	*105,000*
Pension Scheme - Interest on Assets	*(90,000)*	*(90,000)*
Contingency Expenditure	*(174,380)*	*(174,380)*
	(230,533)	*(230,533)*

14. Auditors' remuneration

	2020 £	*2019 £*
Fees payable to the Trust's auditor and its associates for the audit of the Trust's annual accounts	**11,600**	*11,600*
Fees payable to the Trust's auditor and its associates in respect of:		
Audit-related assurance services	**-**	*720*
All non-audit services not included above	**2,800**	*2,800*
Fees payable to the Trust's auditor and its associates in connection with the Trust's pension scheme(s) in respect of:		
The auditing of accounts of the scheme(s)	**1,614**	*1,578*

15. Staff costs

	2020 £	*2019 £*
Wages and salaries	**10,392,624**	*10,374,384*
Social security costs	**708,908**	*697,556*
Contribution to defined contribution pension schemes	**269,202**	*248,363*
	11,370,734	*11,320,303*

15. Staff costs (continued)

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

	2020 No.	2019 No.
Education and Occupational & Recreation	88	89
Care	259	258
ORS	96	97
Corporate Services	62	67
Bank Staff - Headcount	88	110
	593	621

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	-
In the band £100,001 - £110,000	1	1

The key management personnel of the Trust are considered to be the senior leadership team. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Trust was £408,000 (2019 - £361,500).

16. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2019 - £NIL)*.

During the year ended 31 August 2020, no Trustee expenses have been incurred *(2019 - £NIL)*.

17. Tangible fixed assets

	Freehold and Leasehold Property £	Moveable Buildings £	Motor Vehicles £	Fixtures and Fittings £	Total £
Cost or valuation					
At 1 September 2019	**19,385,597**	**17,905**	**712,918**	**3,412,583**	**23,529,003**
Additions	**14,225**	**-**	**12,254**	**64,240**	**90,719**
Disposals	**-**	**-**	**(63,243)**	**-**	**(63,243)**
At 31 August 2020	**19,399,822**	**17,905**	**661,929**	**3,476,823**	**23,556,479**
Depreciation					
At 1 September 2019	**4,483**	**17,905**	**591,294**	**3,350,917**	**3,964,599**
Charge for the year	**200**	**-**	**63,143**	**20,664**	**84,007**
On disposals	**-**	**-**	**(63,243)**	**-**	**(63,243)**
At 31 August 2020	**4,683**	**17,905**	**591,194**	**3,371,581**	**3,985,363**
Net book value					
At 31 August 2020	**19,395,139**	**-**	**70,735**	**105,242**	**19,571,116**
At 31 August 2019	*19,381,114*	*-*	*121,624*	*61,666*	*19,564,404*

Properties are revalued on a five-year cycle. Valuations have been carried out to revalue properties on a market value basis. The valuations were undertaken by suitably qualified independent valuers.

However, due to the pandemic, it has not been possible to obtain the round of valuations for the year ended 31 August 2020 from qualified independent valuers. The trustees confirm that the property valuations remain an appropriate estimate of current market value and are not aware of any factors that would suggest impairment of any property.

The Trust has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	2020 £	*2019 £*
Freehold property	**15,081,745**	*15,067,520*

18. Fixed asset investments

The Trust deems Linkage Trading Ltd a subsidiary undertaking due to the control it exerts over the company. The results for the subsidiary are not consolidated on the grounds of immateriality.

The accounts for Linkage Trading Ltd for the year ended 31 August 2020 show a profit of £35,164 and net liabilities of £58,489.

19. Debtors

	2020 £	*2019* *£*
Due within one year		
Trade debtors	**673,257**	*625,918*
Amounts owed by group undertakings	**76,803**	*107,544*
Other debtors	**131,483**	*109,103*
Prepayments and accrued income	**1,177,701**	*1,076,770*
	2,059,244	*1,919,335*

Trade debtors are stated after provisions for impairment of £33,968 (2019 - £16,993).

20. Current asset investments

	2020 £	*2019* *£*
Investment portfolio	**2,161,799**	*2,174,291*

21. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	**133,332**	*133,332*
Trade creditors	**472,095**	*169,928*
Other taxation and social security	**195,453**	*199,476*
Student and resident monies held	**381,512**	*385,156*
Pension contributions due	**57,878**	*51,707*
Other creditors	**815,006**	*796,625*
Accruals and deferred income	**882,782**	*310,526*
	2,938,058	*2,046,750*

	2020 £	2019 £
Deferred income at 1 September	**196,121**	*170,297*
Resources deferred during the year	**614,903**	*196,121*
Amounts released from previous periods	**(177,752)**	*(170,297)*
Deferred income at 31 August	**633,272**	*196,121*

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

	2020 £	2019 £
Bank loans	**1,033,343**	*1,166,675*
Other loans	**250,000**	*250,000*
	1,283,343	*1,416,675*

Included within the above are amounts falling due as follows:

	2020 £	2019 £
Between one and two years		
Bank loans	**133,332**	*133,332*
Between two and five years		
Bank loans	**399,996**	*399,996*
Over five years		
Bank loans	**500,015**	*633,347*
Other loans	**250,000**	*250,000*

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020 £	2019 £
Payable or repayable by instalments	**500,015**	*633,347*
Payable or repayable other than by instalments	**250,000**	*250,000*
	750,015	*883,347*

Bank loans are secured by legal charges over four freehold properties owned by the Trust with a total net book value of £4,310,000 (2019 - £4,310,000). The total bank loan balance of £1,166,675 (2019 - £1,300,007) is 27% (2019 - 30%) of the property value based on the most recent valuations.

The other loan is secured by a legal charge over one freehold property owned by the Trust which has a net book value of £275,000 (2019 - £275,000). The loan balance is 91% (2019 - 91%) of the value of the security held.

23. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Designated funds						
Digitalisation Reserve	144,000	-	-	-	-	144,000
General funds						
Free Reserves	2,453,385	14,549,584	(14,227,314)	(263,386)	(11,170)	2,501,099
Property Fund	10,275,614	-	(200)	147,557	-	10,422,971
Revaluation Reserve	4,637,971	-	-	-	-	4,637,971
Pension Reserve	(1,005,000)	-	(17,000)	115,829	22,171	(884,000)
	16,361,970	14,549,584	(14,244,514)	-	11,001	16,678,041
Total Unrestricted funds	16,505,970	14,549,584	(14,244,514)	-	11,001	16,822,041
Restricted funds						
ESFA Maintenance	113,607	43,171	(95,263)	(10,480)	-	51,035
Bursary Funds	13,839	19,492	(8,909)	-	-	24,422
Promoting Independence / Developing Employment Opportunities	2,208	-	-	(2,208)	-	-
Big Lottery Fund	58,590	141,031	(137,960)	3,280	-	64,941
Forbes Trust	32,002	25,000	(52,000)	-	-	5,002
Children in Need	1,515	35,867	(28,688)	10	-	8,704
Tolkien Trust	-	50,000	(50,000)	-	-	-

23. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Karten Trust	-	24,820	(23,881)	-	-	939
Baily Thomas	-	23,125	(4,876)	3,000	-	21,249
British Airways Carbon Fund	-	25,000	(25,000)	-	-	-
Lottery Heritage Fund	-	29,900	(9,900)	1,000	-	21,000
Other Restricted Funds	87,333	33,499	(22,720)	(5,082)	-	93,030
Fixed Assets Acquired	2,953,734	-	(15,147)	10,480	-	2,949,067
	3,262,828	450,905	(474,344)	-	-	3,239,389
Total of funds	19,768,798	15,000,489	(14,718,858)	-	11,001	20,061,430

23. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Designated funds						
Digitalisation Reserve	-	-	-	144,000	-	144,000
General funds						
Free Reserves	2,219,073	14,402,721	(13,978,669)	(260,888)	71,148	2,453,385
Property Fund	10,284,172	-	(2,099)	(6,459)	-	10,275,614
Revaluation Reserve	4,332,971	-	-	-	305,000	4,637,971
Pension Reserve	(642,000)	-	(15,000)	112,455	(460,455)	(1,005,000)
	16,194,216	14,402,721	(13,995,768)	(154,892)	(84,307)	16,361,970
Total Unrestricted funds	16,194,216	14,402,721	(13,995,768)	(10,892)	(84,307)	16,505,970
Restricted funds						
Boultham Park	-	7,817	(18,709)	10,892	-	-
ESFA Maintenance	115,602	47,704	(33,246)	(16,453)	-	113,607
Bursary Funds	1,896	28,774	(16,831)	-	-	13,839
Promoting Independence / Developing Employment Opportunities	22,149	-	(19,941)	-	-	2,208
Big Lottery Fund	20,498	138,408	(100,316)	-	-	58,590
Forbes Trust	31,502	24,500	(24,000)	-	-	32,002
Masonic Trust	51,738	-	(51,738)	-	-	-

23. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 September 2018 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2019* £
Children in Need	*7,696*	*26,927*	*(33,108)*	-	-	*1,515*
Tolkien Trust	-	*50,000*	*(50,000)*	-	-	-
Karten Trust	*88,016*	*20,006*	*(20,689)*	-	-	*87,333*
Fixed Assets Acquired	*2,968,286*	-	*(31,005)*	*16,453*	-	*2,953,734*
	3,307,383	344,136	(399,583)	*10,892*	-	*3,262,828*
Total of funds	*19,501,599*	*14,746,857*	*(14,395,351)*	-	*(84,307)*	*19,768,798*

24. Funds details

Unrestricted funds:
For clarity of presentation, the Trustees choose to show the value of property and the accumulated gains and losses as separate funds. Free Reserves above therefore represents the accumulated surplus on charitable activities.

Restricted funds:
Most of the Trust's income is in the form of fees but it also receives grants and raises funds for specific purposes. These restricted funds are described below:

ESFA Maintenance - represents funding received from the Education and Skills Funding Agency ("ESFA") to be spent on the maintenance of educational facilities.

Bursary Fund - these represent funds provided by the ESFA to financially support young people in learning at the discretion of the Trust.

Big Lottery Fund - relates to unspent funds provided by the Big Lottery Fund for the acquisition of a sensory library and its associated running costs.

Forbes Trust, Children in Need, Tolkien Trust, Karten Trust, Baily Thomas, British Airways Carbon Fund and Lottery Heritage Funds - relates to funding provided to be spent for the purposes imposed by the donor.

Other Restricted Funds - relates to various smaller donations and funds which are subject to restrictions imposed by the donor which have been combined for year-end accounting purposes.

Fixed Assets Acquired with Restricted Funds - represents the net book value of assets acquired with restricted funding streams, in particular relating to Boultham Park, Big Lottery Fund and Karten Trust.

Transfers have been recognised in the restricted funds analysis where funds have been reclassified, for the acquisition of fixed assets and also to recognise where other funds received have been allocated to other projects.

25. Summary of funds

Summary of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Designated funds	144,000	-	-	-	-	144,000
General funds	16,361,970	14,549,584	(14,244,514)	-	11,001	16,678,041
Restricted funds	3,262,828	450,905	(474,344)	-	-	3,239,389
	19,768,798	15,000,489	(14,718,858)	-	11,001	20,061,430

25. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 September 2018 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2019* £
Designated funds	-	-	-	*144,000*	-	*144,000*
General funds	*16,194,216*	*14,402,721*	*(13,995,768)*	*(154,892)*	*(84,307)*	*16,361,970*
Restricted funds	*3,307,383*	*344,136*	*(399,583)*	*10,892*	-	*3,262,828*
	19,501,599	*14,746,857*	*(14,395,351)*	-	*(84,307)*	*19,768,798*

26. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £	**Unrestricted funds 2020** £	**Total funds 2020** £
Tangible fixed assets	2,949,068	16,622,048	**19,571,116**
Current assets	467,996	5,127,719	**5,595,715**
Creditors due within one year	(177,675)	(2,760,383)	**(2,938,058)**
Creditors due in more than one year	-	(1,283,343)	**(1,283,343)**
Provisions for liabilities and charges	-	(884,000)	**(884,000)**
Total	3,239,389	16,822,041	**20,061,430**

26. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Restricted funds 2019 £	*Unrestricted funds 2019* £	*Total funds 2019* £
Tangible fixed assets	2,953,735	16,610,669	*19,564,404*
Current assets	486,768	4,186,051	*4,672,819*
Creditors due within one year	(177,675)	(1,869,075)	*(2,046,750)*
Creditors due in more than one year	-	(1,416,675)	*(1,416,675)*
Provisions for liabilities and charges	-	(1,005,000)	*(1,005,000)*
Total	3,262,828	16,505,970	*19,768,798*

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

	2020 £	*2019* £
Net income for the period (as per Statement of Financial Activities)	**270,461**	*422,654*
Adjustments for:		
Depreciation charges	**84,007**	*108,070*
Gains/(losses) on investments	**11,170**	*(71,148)*
Profit on the sale of fixed assets	**(500)**	*(74,828)*
Increase in debtors	**(152,812)**	*(389,686)*
Increase/(decrease) in creditors	**866,934**	*(351,702)*
Pension finance and administration costs	**17,000**	*15,000*
Contributions to defined benefit pension schemes	**(115,829)**	*(112,455)*
Net cash provided by/(used in) operating activities	**980,431**	*(454,095)*

28. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	993,160	194,037
Residents money bank accounts	381,512	385,156
Total cash and cash equivalents	1,374,672	579,193

29. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Other non-cash changes £	At 31 August 2020 £
Cash at bank and in hand	579,193	795,479	-	1,374,672
Debt due within 1 year	(185,039)	-	-	(185,039)
Debt due after 1 year	(1,416,675)	133,332	-	(1,283,343)
Liquid investments	2,174,291	-	(12,492)	2,161,799

30. Reconciliation of cashflows from operating activities

	2020 £	2019 £
Net cash (used in) / provided by operating activities	980,431	(454,095)
Exceptional movements in creditors	-	523,000
	980,431	68,905

31. Pension commitments

Linkage Community Trust operates two separate pension schemes - a Group Savings Plan and an Executive Pension Plan. The assets of both schemes are held separately from those of the Trust in independently administered funds.

Group Savings Plan:
The Group Savings Plan is a definied contribution scheme. The pension cost in the accounts represents the total pension cost for the year which amounted to £269,202 (2019 - £248,363).

Executive Pension Plan:
This is a defined contribution plan with underlying guarantees of a defined benefit nature. It is therefore accounted for in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The scheme is closed to further accrual of benefits. At 31 August 2020, the scheme makes payments to six pensioners.

The following disclosures are taken from the report prepared by Barnett Waddingham LLP, the Plan's actuary.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2020 %	*At 31 August 2019 %*
Discount Rate	**1.50**	*1.75*
Retail Prices Index (RPI) Inflation	**3.20**	*3.40*
LPI Pension Increases	**3.20**	*3.40*
Percentage of Pension Taken as Tax Free Cash	**20.00**	*20.00*

	At 31 August 2020 Years	*At 31 August 2019 Years*
Mortality rates (in years)		
- for a male aged 65 now	**22.2**	*22.2*
- at 65 for a male aged 45 now	**24.0**	*23.9*
- for a female aged 65 now	**24.2**	*24.1*
- at 65 for a female aged 45 now	**26.0**	*25.9*

31. Pension commitments (continued)

The Trust's share of the assets in the scheme was:

	At 31 August 2020 £	*At 31 August 2019 £*
Funds	**2,307,000**	*2,147,000*
Cash	**142,000**	*87,000*
Annuity Policies	**1,450,000**	*1,430,000*
Total fair value of assets	**3,899,000**	*3,664,000*

The actual return on scheme assets was £223,000 *(2019 - £215,000)*.

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	*2019 £*
Interest income	**(64,000)**	*(90,000)*
Interest cost	**81,000**	*105,000*
Total amount recognised in the Statement of financial activities	**17,000**	*15,000*

Movements in the present value of the defined benefit obligation were as follows:

	2020 £
Opening defined benefit obligation	**4,669,000**
Interest cost	**81,000**
Losses/(gains) from changes to financial assumptions	**138,000**
Benefits paid	**(105,000)**
Closing defined benefit obligation	**4,783,000**

31. Pension commitments (continued)

Movements in the fair value of the Trust's share of scheme assets were as follows:

	2020 £
Opening fair value of scheme assets	**3,664,000**
Interest income	**64,000**
Return on assets less interest	**160,171**
Contributions by employer	**115,829**
Benefits paid	**(105,000)**
Closing fair value of scheme assets	**3,899,000**

32. Operating lease commitments

At 31 August 2020 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	*2019* *£*
Not later than 1 year	**8,103**	*6,912*
Later than 1 year and not later than 5 years	**8,747**	*11,366*
	16,850	*18,278*

33. Related party transactions

Linkage Trading Ltd:

Linkage Trading Ltd is a company limited by guarantee which is controlled by Linkage Community Trust.

The Trust collects monies and incurs expenses on behalf of the company. Net expenses and repayments during the year were £65,956 (2019 - £22,551).

During the year, the trustees agreed to write down the amount owing by the company to the Trust by £96,697.

The balance outstanding at the year-end is £76,703 (2019 - £107,544) and included within amounts owed by group undertakings.

TFM Networks Limited:

TFM Networks Limited is a subsidiary company of Tfm Gh Limited. Mr M Bell, a Trustee, was a director of Tfm Gh Limited between September 2017 and November 2019.

TFM Networks Limited provides communications services to the Trust. The contract between the Trust and TFM Networks Limited pre-dated the directorship and continues post year-end.

Up to the date of resignation during the year, TFM Networks Limited invoiced the Trust a total of £2,100 for the services provided.

During the previous yeaar, TFM Networks Limited invoiced the Trust a total of £8,911 for the services provided. The balance outstanding at the previous year-end was £nil.