



Alexander Sloan
Accountants and Business Advisers

Company Registration No. SC 229753 (Scotland)

COMMUNITY LINKS SCOTLAND

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

Charity Registration No. SC032934 (Scotland)

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COMMUNITY LINKS SCOTLAND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Laurie MacKay Sandra Loney Sephton MacQuire James Weir Meg Harrison
Secretary	Stephen Singer
Charity number (Scotland)	SC032934
Company number	SC0229753
Registered office	63 Kilbowie Road Clydebank Glasgow G81 1BL
Independent examiner	Alexander Sloan 180 St Vincent Street Glasgow G2 5SG

COMMUNITY LINKS SCOTLAND

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COMMUNITY LINKS SCOTLAND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

The Trustees present their report and financial statements for the year ended 31 March 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The Company's objectives are to relieve poverty by promoting employment and education opportunities, to improve the environment and to promote social welfare.

The organisation uses a methodology of staff/tenant involvement which produces a Wider Role Strategy, Evaluation and Funding Plan which is the basis of the work that will be carried out on behalf of individual RSLs.

Achievements and performance

2018/19 saw Community Links Scotland completed its 17th year of working with Registered Social Landlords, community development trusts and other not for profit community organisations who are too small or who cannot afford to employ their own regeneration staff directly. Throughout the year we worked on a large variety of projects in West Dunbartonshire, East Dunbartonshire, Argyll & Bute, Inverclyde, Renfrewshire, Glasgow, and North Lanarkshire. Projects were worked on Islay and Jura and Possil and Castlemilk, from long established clients to new organisations still being formed or only just being formed.

Not only was the geography varied but the types of project also varied over the year from trying to support welfare reform, to trying to establish new community facilities, sports facilities or preparing community consultation events and preparing community development plans. This year is a reflection of the reduced amount of capital and revenue funding available from both the public and private sectors. With less people playing the Lottery, funding availability on some grants was reduced from a previous 95% success rate to a 37% success rate. The Scottish Government withdrew certain funds and moved cautiously with their People in Communities Fund still not open to new groups.

As a result of the above, tender opportunities for new work were extremely limited in 2018/19, and when available were extremely competitive, this has led to our disappointing results for the year. Despite the loss through retirement of a long term member of staff, staff continued to try and make the best of the situation, looking for new work and developing new relationships. With support from the board we hope to get over this disappointing year and build again for the next challenges. I would like to thank the staff for their continued commitment, hard work and dedication to retaining CLS as a leading provider of regeneration services in 2018/19 and into the future.

Financial review

The charity had net outgoing resources of £69,917 for the year and has accumulated funds of (£19,345) at the balance sheet date after the pension liability of £239,000.

Reserves policy

It is the policy of the Charity to maintain unrestricted funds at a level to provide sufficient funds to cover management, administration and support costs.

As per the Statement of Financial Activities on page 5, the General Fund (Unrestricted) amounted to (£142,592) after recognising a liability of £239,000 which was the Charity's share of the Scottish Housing Associate Pension Scheme. The pension liability was triggered by a change in method of accounting for pension liabilities which is further detailed in note 14 and which has no impact on the charity's cash position.

Excluding the pension liability, the General Fund (Unrestricted) had operating reserves of £96,408 as at 31 March 2019.

COMMUNITY LINKS SCOTLAND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Risk Management

The Trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

Given the uncertainty of future Scottish Government funding, Community Links Scotland continues to develop its consultancy arm as an alternative source of revenue, in the main working with small not-for-profit community groups and trusts across Scotland.

Structure, governance and management

Governing document

The Charity is a company limited by guarantee, not having a share capital. It is governed by its Memorandum and Articles of Association.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Laurie MacKay

Sandra Loney

Sephton MacQuire

James Weir

Meg Harrison

Trustees are elected from client RSLs and relevant groups and individuals and nominated onto the Board.

Organisational structure

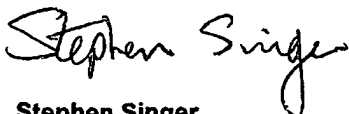
The Management Board make all policy decisions on a bi-monthly basis with staff implementing day to day actions. A staffing sub-committee is in place to deal with recruitment and serious staffing issues. Both Boards are serviced by the Director. The Treasurer meets with the finance officer on a weekly basis to authorise cheques and discuss financial issues relating to the charity.

The organisation continues to be managed by a participatory Management Board with new Board members inducted in line with the Trustees Induction and Training Policy.

Independent examiner

The Trustees recommend that Mark Mulholland ACCA, a Partner in Alexander Sloan, Accountants and Business Advisers, remains in office as independent examiner until further notice.

The trustees' report was approved by the Board of Trustees.



Stephen Singer

Trustee

Dated: 16 December 2019

COMMUNITY LINKS SCOTLAND

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2019

The Trustees, who are also the Directors of Community Links Scotland for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

COMMUNITY LINKS SCOTLAND

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF COMMUNITY LINKS SCOTLAND

I report on the financial statements of the charity for the year ended 31 March 2019, which are set out on pages 5 to 24.

Respective responsibilities of Trustees and examiner

The charity's Trustees, who are also the directors of Community Links Scotland for the purposes of company law, are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The Trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the financial statements.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - (ii) to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Mark Mulholland FCCA
Alexander Sloan
180 St Vincent Street
Glasgow
G2 5SG

Dated: 16/12/19

COMMUNITY LINKS SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

Current financial year

		Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
	Notes					
Income from:						
Donations and legacies	3	55,468	-	109,772	165,240	128,274
Income from charitable activities	4	174,151	-	-	174,151	187,671
Total income		229,619	-	109,772	339,391	315,945
Expenditure on:						
Cost of charitable activities	5	269,769	12,233	98,306	380,308	355,344
Net (income)/expenditure before transfers		(40,150)	(12,233)	11,466	(40,917)	(39,399)
Gross transfers between funds		(8,967)	8,967	-	-	-
Net (expenditure)/income		(49,117)	(3,266)	11,466	(40,917)	(39,399)
Other recognised gains and losses						
Actuarial loss on defined benefit pension schemes		(29,000)	-	-	(29,000)	-
Net movement in funds		(78,117)	(3,266)	11,466	(69,917)	(39,399)
Fund balances at 1 April 2018		(64,475)	99,029	16,018	50,572	89,971
Fund balances at 31 March 2019		(142,592)	95,763	27,484	(19,345)	50,572

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 9 to 24 form an integral part of these financial statements.

COMMUNITY LINKS SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

Prior financial year

		Unrestricted funds general 2018 £	Unrestricted funds designated 2018 £	Restricted funds 2018 £	Total 2018 £
	Notes				
Income from:					
Donations and legacies	3	79,249	-	49,025	128,274
Income from charitable activities	4	187,671	-	-	187,671
Total income		266,920	-	49,025	315,945
Expenditure on:					
Cost of charitable activities	5	292,588	-	62,756	355,344
Net (expenditure)/income before transfers		(25,668)	-	(13,731)	(39,399)
Gross transfers between funds		(5,586)	8,009	(2,423)	-
Net movement in funds		(31,254)	8,009	(16,154)	(39,399)
Fund balances at 1 April 2017		(33,221)	91,020	32,172	89,971
Fund balances at 31 March 2018		(64,475)	99,029	16,018	50,572

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 9 to 24 form an integral part of these financial statements.

COMMUNITY LINKS SCOTLAND

BALANCE SHEET

AS AT 31 MARCH 2019

		2019		2018 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		-		1,417
Investments	10		100		100
			<u>100</u>		<u>1,517</u>
Current assets					
Debtors	12	45,479		46,284	
Cash at bank and in hand		190,875		255,207	
		<u>236,354</u>		<u>301,491</u>	
Creditors: amounts falling due within one year	13	(16,799)		(20,436)	
Net current assets			219,555		281,055
Total assets less current liabilities			219,655		282,572
Provisions for liabilities					
Defined benefit pension liability	14	239,000		232,000	
		<u>(239,000)</u>		<u>(232,000)</u>	
Net (liabilities)/assets			<u>(19,345)</u>		<u>50,572</u>
Income funds					
Restricted funds	16		27,484		16,018
<u>Unrestricted funds</u>					
Designated funds	17	95,763		99,029	
General unrestricted funds	15	(142,592)		(64,475)	
			<u>(46,829)</u>		<u>34,554</u>
			<u>(19,345)</u>		<u>50,572</u>

COMMUNITY LINKS SCOTLAND

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2019

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2019.

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 16 December 2019



James Weir
Trustee

Company Registration No. SC 229753

COMMUNITY LINKS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Charity information

Community Links Scotland is a private company limited by guarantee incorporated in Scotland. The registered office is 63 Kilbowie Road, Clydebank, Glasgow, G81 1BL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

COMMUNITY LINKS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured or estimated reliably.

Liabilities are measured on recognition at historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date. The exception is that certain financial instruments must be adjusted to their present value; these include financial liabilities where settlement is deferred for more than 12 months after the reporting date.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Raising Funds

Expenditure on raising funds includes all expenditure incurred by a charity to raise funds for its charitable purposes. It includes the costs of all fundraising activities and events together with those costs incurred in seeking donations, grants and legacies and investment management costs.

Charitable activities

Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. The costs of charitable activities presented in the Statement of Financial Activities includes the costs of both direct service provision and the payments of grant awards if applicable.

Governance costs

Governance costs (which are included as a component of support costs in accordance with SORP) comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include those related to constitutional and statutory requirements, external scrutiny (audit or independent examination), strategic management, and other legal and professional fees.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment

Straight line over 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

COMMUNITY LINKS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

COMMUNITY LINKS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

Existing employees of the charity were entitled to join the Scottish Housing Association Pension Scheme which is funded by contributions from employee and employer. Members of the Pension Scheme may also contribute added years to that scheme or take out an Additional Voluntary Contribution scheme, each of which is funded by the employee alone.

The Scottish Housing Association Pension Scheme is a multi-employer defined benefit scheme administered for the benefit of Local Authorities and other bodies and is managed in accordance with the Local Government Pension Scheme Regulations 2013 (as amended). Past and present employees are covered by the provisions of the Scheme.

1.12 Retirement benefits

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

COMMUNITY LINKS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

3 Donations and legacies

	Unrestricted funds general 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds general 2018 £	Restricted funds 2018 £	Total 2018 £
Donations and gifts	55,468	109,772	165,240	79,249	49,025	128,274
Donations and gifts						
Traininglink Income	-	109,772	109,772	-	49,025	49,025
Housing Associations	55,468	-	55,468	79,249	-	79,249
	55,468	109,772	165,240	79,249	49,025	128,274

4 Income from charitable activities

	2019 £	2018 £
Services provided under contract	152,754	177,081
Other income	21,397	10,590
	174,151	187,671

COMMUNITY LINKS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

5 Cost of charitable activities

	2019 £	2018 £
Staff costs	230,086	238,410
Depreciation and impairment	1,417	3,427
Project and activities costs	99,536	63,934
Premises costs	23,666	24,321
Running costs	15,224	22,366
Interest and finance charges	7,000	-
Governance costs	3,379	2,886
	<u>380,308</u>	<u>355,344</u>
	<u>380,308</u>	<u>355,344</u>
Analysis by fund		
Unrestricted funds - general	269,769	292,588
Unrestricted funds - designated	12,233	-
Restricted funds	98,306	62,756
	<u>380,308</u>	<u>355,344</u>

6 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

COMMUNITY LINKS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

7 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
	10	9
	<u> </u>	<u> </u>
Employment costs	2019	2018
	£	£
Wages and salaries	196,664	184,046
Social security costs	22,884	18,366
Other pension costs	10,538	35,998
	<u>230,086</u>	<u>238,410</u>

The remuneration of key management personnel during the year, including wages and salaries and employer's contributions to national insurance and pensions, was £49,576 (2018 - £49,239).

8 Net income/(expenditure) for the year

	2019 £	2018 £
Net income/(expenditure) for the year is stated after charging:		
Independent Examiner's remuneration	2,888	2,530
Depreciation of owned tangible fixed assets	<u>1,417</u>	<u>3,427</u>

COMMUNITY LINKS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

9 Tangible fixed assets

	Computer equipment £
Cost	
At 1 April 2018	10,385
At 31 March 2019	10,385
Depreciation and impairment	
At 1 April 2018	8,968
Depreciation charged in the year	1,417
At 31 March 2019	10,385
Carrying amount	
At 31 March 2018	1,417

10 Fixed asset investments

	Other investments
Cost or valuation	
At 1 April 2018 & 31 March 2019	100
Carrying amount	
At 31 March 2019	100
At 31 March 2018	100

	Notes	2019 £	2018 £
Other investments comprise:			
Investments in subsidiaries	21	100	100

11 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	43,796	44,668
Carrying amount of financial liabilities		
Measured at amortised cost	6,321	5,148

COMMUNITY LINKS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

12 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	43,796	44,668
Prepayments and accrued income	1,683	1,616
	<u>45,479</u>	<u>46,284</u>

13 Creditors: amounts falling due within one year

	2019	2018
	£	£
Other taxation and social security	10,478	15,288
Trade creditors	-	2,833
Other creditors	4,268	100
Accruals and deferred income	2,053	2,215
	<u>16,799</u>	<u>20,436</u>

14 Retirement benefit schemes

Defined benefit schemes

Community Links Scotland participates in the Scottish Housing Association Pension Scheme (the scheme). The Scheme is a multi-employer defined benefit scheme. The Scheme is funded. The Association is an admitted body under the Scottish Housing Association Fund, the assets of which are held in a separate Trustee administered Fund.

The last valuation of the Scheme was performed as at 30th September 2015 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £612m. The valuation revealed a shortfall of assets compared with the value of liabilities of £198m (equivalent to a past service funding level of 76%). All Scheme members have agreed to make contributions towards the past service deficit.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30th September 2016. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £341m and indicated an increase in the shortfall of assets compared to liabilities to approximately £207m, equivalent to a past service funding level of 62.2%.

The Scheme operates on a 'last man standing' basis, meaning that in the event of an employer withdrawing from the Scheme and being unable to pay its share of the debt on withdrawal. Then the liability of the withdrawing employer is re-apportioned amongst the remaining employer. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

The administering authority has responsibility for the management of the Fund. As most of the Fund's investments are equity based, there is an inherent risk of volatility in the investment market having a significant effect on the value of the fund's assets. In order to mitigate this risk, the Fund holds a diverse investment portfolio with a range of investment managers.

COMMUNITY LINKS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

14 Retirement benefit schemes

(Continued)

Valuation

The pension fund is administered by the Pensions Trust and this year the Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The figures are available at 1 April 2018 and 31 March 2019. The Association has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Association and has therefore adopted this valuation method.

In January 2019, the FRC issued FRED 71 (Draft amendments to FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, Multiemployer defined benefit plans) which provides proposed changes to FRS 102 on how to treat the transition from defined contribution to defined benefit accounting. This method has been adopted by the Association as the most appropriate treatment.

The adoption of the valuation has resulted in a prior year adjustment and has reduced the net assets of the Association by £232,000.

Key assumptions

	2019 %	2018 %
Discount rate	2.35	2.60
Expected rate of salary increases	3.25	3.14
Inflation (RPI)	3.25	3.14
Inflation (CPI)	2.25	2.14
Allowance for commutation of pension for cash at retirement (maximum allowance)	75	75

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2019 Years	2018 Years
Retiring today		
- Males	21.7	
- Females	23.4	
Retiring in 20 years		
- Males	23.1	
- Females	24.7	

Amounts recognised in the profit and loss account:

	2019 £	2018 £
Net interest on defined benefit liability/(asset)	6,000	-
Other costs and income	1,000	-
Total costs	7,000	-

COMMUNITY LINKS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

14 Retirement benefit schemes

(Continued)

Amounts taken to other comprehensive income:

	2019 £	2018 £
Actual return on scheme assets	(32,000)	-
Less: calculated interest element	23,000	-
Return on scheme assets excluding interest income	(9,000)	-
Actuarial changes related to obligations	38,000	-

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2019 £	2018 £
Present value of defined benefit obligations	1,183,000	1,118,000
Fair value of plan assets	(944,000)	(886,000)
Deficit in scheme	239,000	232,000

Movements in the present value of defined benefit obligations:

	2019 £
Liabilities at 1 April 2018	1,118,000
Benefits paid	(3,000)
Actuarial gains and losses	38,000
Interest cost	29,000
Other	1,000
At 31 March 2019	1,183,000

The defined benefit obligations arise from plans which are wholly or partly funded.

Movements in the fair value of plan assets:

	2019 £
Fair value of assets at 1 April 2018	886,000
Interest income	23,000
Return on plan assets (excluding amounts included in net interest)	9,000
Benefits paid	(3,000)
Contributions by the employer	29,000
At 31 March 2019	944,000

COMMUNITY LINKS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

14 Retirement benefit schemes

(Continued)

The fair value of plan assets at the reporting period end was as follows:

	2019 £	2018 £
Growth Assets	473,000	449,000
Matching Plus	110,000	94,000
Liability Driven Investment	360,000	341,000
Net Current Assets	1,000	2,000
	<u>944,000</u>	<u>886,000</u>

15 General unrestricted fund

The Unrestricted general fund as at 31 March 2019 amounted to (£142,592) which includes the pension liability balance of £239,000 (2018 - (£64,475) which includes the pension liability balance of £232,000).

COMMUNITY LINKS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2017	Movement in funds			Balance at 1 April 2018	Movement in funds			Balance at 31 March 2019
	£	Income	Expenditure	Transfers	£	Income	Expenditure	Transfers	£
Streetlinks Project	2,423	-	-	(2,423)	-	-	-	-	-
Volunteers in Progress	22,317	49,025	(62,756)	(1,352)	7,234	109,772	(98,306)	(2,861)	15,839
Traininglinks Redundancy Fund	7,432	-	-	1,352	8,784	-	-	2,861	11,645
	<u>32,172</u>	<u>49,025</u>	<u>(62,756)</u>	<u>(2,423)</u>	<u>16,018</u>	<u>109,772</u>	<u>(98,306)</u>	<u>-</u>	<u>27,484</u>

Purposes of restricted funds

Volunteers in Progress

This fund represents monies to be used to cover the staffing cost of the Volunteers in Progress programme. Transfer represents money set aside for redundancies should the charity cease its operations.

Traininglinks Redundancy Fund

This fund represents the potential liability for redundancies should the project cease its operations. Transfer represents money set aside for redundancies should the charity cease its operations.

COMMUNITY LINKS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2017 £	Transfers £	Balance at 1 April 2018 £	Expenditure £	Transfers £	Balance at 31 March 2019 £
Redundancy Fund	91,020	8,009	99,029	(12,233)	8,967	95,763
	<u>91,020</u>	<u>8,009</u>	<u>99,029</u>	<u>(12,233)</u>	<u>8,967</u>	<u>95,763</u>

Purposes of Designated Funds

Redundancy Fund

This fund represents the potential liability for redundancies should the charity cease its operations.

COMMUNITY LINKS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

18 Analysis of net assets between funds

	Unrestricted funds 2019 £	Designated funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Designated funds 2018 £	Restricted funds 2018 £	Total 2018 £
Fund balances at 31 March 2019 are represented by:								
Tangible assets	-	-	-	-	1,417	-	-	1,417
Investments	100	-	-	100	100	-	-	100
Current assets/(liabilities)	96,308	95,763	27,484	219,555	166,008	99,029	16,018	281,055
Provisions and pensions	(239,000)	-	-	(239,000)	(232,000)	-	-	(232,000)
	<u>(142,592)</u>	<u>95,763</u>	<u>27,484</u>	<u>(19,345)</u>	<u>(64,475)</u>	<u>99,029</u>	<u>16,018</u>	<u>50,572</u>

COMMUNITY LINKS SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	<u>13,864</u>	<u>14,670</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2018 - none).

21 Subsidiaries

Details of the charity's subsidiaries at 31 March 2019 are as follows:

The charity also has significant holdings in undertakings which are not subsidiaries of the charity and are not classified as joint ventures or associated undertakings:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
GroundLinks Limited	United Kingdom	Dormant	Ordinary	100.00

22 Prior year adjustment

As detailed in note 14, the charity has to account for the defined benefit pension scheme liability for its share of the Scottish Housing Association Pension Scheme on the balance sheet following the development of a method in calculating each members' share of the assets and liabilities of the scheme. The prior year General fund unrestricted balance was reduced by £232,000.

COMMUNITY LINKS SCOTLAND

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

		2019		2018
	£	£	£	£
<u>Charitable activities</u>				
<u>Staff costs</u>				
Wages and salaries	196,664		184,046	
Social security costs	22,884		18,366	
Staff pension costs defined benefit	10,538		35,998	
		230,086		238,410
<u>Depreciation</u>				
Depreciation	1,417		3,427	
		1,417		3,427
<u>Projects and activities</u>				
Groundlinks project	1,230		1,178	
Traininglinks expenditure	98,306		62,756	
		99,536		63,934
<u>Premises costs</u>				
Rent	14,290		14,293	
Heat and light	2,054		2,515	
Insurance	4,592		4,950	
Repairs and maintenance	2,730		2,563	
		23,666		24,321
<u>Running costs</u>				
Printing, postage and stationery	557		606	
Telephone	1,535		1,457	
Subscriptions	2,548		2,564	
General expenses	4,799		3,938	
Consultancy	3,668		11,459	
Conferences & seminars	620		630	
Travelling & subsistence	1,497		1,712	
		15,224		22,366
<u>Interest and finance charges</u>				
Unwinding of pension discount factor	1,000		-	
Net interest on defined benefit pension scheme	6,000		-	
		7,000		-
<u>Governance costs</u>				
Independent examination fees	2,888		2,530	
Board meeting costs	491		356	
		3,379		2,886
Total charitable activities expenditure		380,308		355,344

COMMUNITY LINKS SCOTLAND

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	£	£
<u>Income</u>		
Housing Associations	55,468	79,249
Traininglink Income	<u>109,772</u>	<u>49,025</u>
	165,240	128,274
<u>Income from charitable activities</u>		
Consultancy Income	152,754	177,081
Other Income	<u>21,397</u>	<u>10,590</u>
	174,151	187,671
Total income	<u>339,391</u>	<u>315,945</u>
Total expenditure	<u>(380,308)</u>	<u>(355,344)</u>
Net (deficit)/surplus for the year	<u><u>(40,917)</u></u>	<u><u>(39,399)</u></u>
