
COMMUNITY LINKS BROMLEY
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

COMMUNITY LINKS BROMLEY
(A company limited by guarantee)

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COMMUNITY LINKS BROMLEY
(Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2007**

Trustees

Jean Levy, Chair

John Freeman

Anthony King (resigned 26/03/2007)

Leslie Marks, Vice Chair

Avril Schorfield (resigned 28/02/2007)

Phillip Mould, Treasurer

Lulu Pearce (appointed 19/09/2006)

Maureen Falloon (appointed 19/09/2006)

Pat Wade (appointed 19/09/2006)

Company registered number

3020127

Charity registered number

1045255

Registered office

Community House
South Street
Bromley
BR1 1RH

Company secretary

Julie Fuller

Chief executive officer

Julie Fuller

Auditors

haysmacintyre
Chartered Accountants
Registered Auditors
Fairfax House
15 Fulwood Place
London
WC1V 6AY

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2007**

Advisers (continued)

Bankers

CAF Bank Ltd
25 Kings Hill
West Malling
Kent
ME19 4JQ

Solicitors

Thackray Williams
Kings House
32-40 Widmore Road
Bromley
Kent
BR1 1RY

Legal Advisor to the Board

Mark Oakley

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2007

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements of Community Links Bromley (the company) for the year ended 31 March 2007. The Trustees confirm that the annual report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

Constitution

Community Links Bromley (CLB) is a registered charity number 1045255 and company limited by guarantee, registered in England number 3020127 and was set up by a Memorandum of Association (its governing document). This identifies CLB as a second tier support organisation for the local voluntary and community sector. It was incorporated in 1995. Its registered office is Community House, South Street, Bromley BR1 1RH.

CLB's purpose is to "support, promote and facilitate the development of a strong, diverse, confident and effective voluntary and community sector in the Borough of Bromley, in ways which will enable the sector to improve the quality of life for people and their communities" CLB's value statement reflects its commitment to providing inclusive and accessible services based on the identifiable needs of local voluntary and community organisations.

The charity's objectives and its principal activities continue to be that of operating a service to support voluntary and community organisations within the London Borough of Bromley. They include the following: to promote any charitable purposes for the benefit of the community in Bromley, organise co-operation between the voluntary and statutory sectors in Bromley, provide information, advice, training and other services to voluntary organisations locally.

CLB is affiliated to the National Association for Voluntary and Community Action (NAVCA), the national body for local infrastructure organisations. CLB is accredited by Volunteering England in respect of the Volunteer Centre. CLB is a member of the South London CVS Partnership and the South London Volunteer Centre network. CLB is also a member of Community Matters and the National Council for Voluntary Organisations and Greater London Volunteering.

Method of appointment or election of Trustees

The governance of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Recruitment and Appointment of Trustees

The governance of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are formally elected at the Annual General Meeting (AGM) with additional Trustees co-opted by the Trustee Board during the year as appropriate, with formal election at the following AGM.

Trustees are elected for a period of three years, with possible re-election for a further three year period after which they are required to stand down.

CLB seeks nominations from its member organisations for vacant trustee positions. Also, where skills gaps are identified, recruitment is made more widely from across the voluntary and business sectors.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2007

The Trustee Board includes the positions of Chair, Vice Chair and Treasurer and consists of a minimum of six and a maximum of twelve trustees.

The Trustees who served during the year were as follows:

Jean Levy (Chair)
Leslie Marks (Vice Chair)
Philip Mould (Treasurer)
John Freeman
Pat Wade
Lulu Pearce
Maureen Falloon
Anthony King (resigned March 2007)
Avril Schorfield (resigned February 2007)

In addition, there were two Council nominated representatives, Councillor Charles Rideout and Councillor Carole Hubbard. The councillors may attend meetings as non-voting members but are not Trustees.

Induction and Training of Trustees

Trustees receive an induction pack on joining the board. They are given the opportunity to meet individual staff members and to identify additional responsibilities such as membership of other committees or working groups. Training and development opportunities are publicised and provided for all Trustees. Trustees meet at least annually for an awayday to develop strategy.

Organisational structure and decision making

The charity is controlled by a board of Trustees who are independent and receive no remuneration for their involvement. A list of the Trustees is given above. Day to day operations are carried out by full and part time staff. During 2006/7, the Chief Executive Officer was Julie Fuller, supported by three senior managers, Peter Dyer (Head of Organisational Development), Diane Diamond (Volunteer Centre Manager) and Lindsay Harkett (Head of Partnership Development).

The Trustee Board has one permanent sub Committee, the Finance and Audit Committee.

The CEO took the role of Company Secretary and attended Board meetings, with senior management team members attending as required. The Trustee Board met six times during the year and the Finance & Audit Committee three times. Additional meetings were also called during this financial year, to consider the future organisation of the service.

The Trustee Board agrees the organisation's strategy, business plan, financial plans and budget. The strategic business plan is developed in conjunction with the senior management who are responsible for implementing the Business Plan and reporting progress against Business Plan targets and working with Trustees as required. Trustees specify the level of delegated responsibility of staff.

Risk management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining a sufficient level of reserves combined with an annual review over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2007

Achievements and performance

Review of activities

The Trustees consider that the performance of the charity this year has been satisfactory, and that its objectives were achieved for the year.

The Volunteer Centre has continued to recruit and place volunteers, (exceeding its target of recruiting 500 new volunteers by almost 300), is developing new projects on youth volunteering and good practice, promoting employee volunteering and has increased the involvement of volunteers in the operation of the centre. It gave advice by phone or e-mail to over 560 voluntary organisations. It organised events at local schools, with other organisations, and co-ordinated Volunteers Week in the London Borough of Bromley.

The Organisational Development function has introduced a range of projects, including a Funding Information and Advice project (funded by a grant from City Bridge), and a Community Accountancy advice project (ultimately funded through London Councils, and delivered in partnership with Croydon Voluntary Action). In addition, governance work has been supported by the development of a local Finance Forum and a Trustees Network, as well as a Community Development Group (with financial assistance from the NCVO national governance hub). It has sent six printed newsletters to 191 contacts, provided 26 e-bulletins to 395 contacts, held 230 advice and information sessions with 130 organisations. Events and workshops have been attended by 228 individuals. There have been 39,327 web hits on our newly designed website, and we have increased our membership by 10% to 222, with 20% of users of our services coming from Black, Minority Ethnic or Refugee (BMER) groups.

Partnership Development developed and launched a local Compact in partnership with local statutory agencies, which was signed at our conference for the voluntary sector in March. CLB advised on the framework for voluntary and community involvement in Local Area Agreements and organised workshops jointly with the London Borough of Bromley, became a member of the working group developing the borough strategy on community engagement, and following discussions with officers about ensuring the voluntary and community sector is fit for purpose, bid for funding to develop a training programme for trustees and staff in the children's sector, to respond to legal requirements and policy issues. A programme of workshops was organised. Support was given to the local Voluntary Sector Reference Group, thanks to Change Up funding received from Capacity Builders.

Investment policy and performance

CLB's cash in excess of day to day requirements is held in a CAF deposit account accruing interest at a variable interest rate. This method of investment has been used because it is low risk and CLB has not been able to commit to long term investment. This approach to investment will be kept under review by the Trustees.

Reserves policy

CLB's reserves represent the funds of the charity that are freely available excluding fixed assets, restricted and designated funds.

The Trustees have reviewed the charity's reserves policy during the year and have increased its target from 3 months operating expenses to a target of between 3 and 6 months operating expenses. In order to provide a quality effective and efficient service to the voluntary and community sector in Bromley the Trustees have ensured through setting this reserves level that in the event of funding not being sufficient to cover expenses in the future that a smooth transition can be made to a lower level of service.

In 2007/8 it is estimated that expenditure will exceed income by £50,000 and funds have been designated for

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2007

this purpose.

The trustees have also designated funds for: Office refurbishment required as part of the lease agreement £10,000; and Tangible Fixed Assets at net book value £5,695.

As at 31st March 2007 free reserves stand at £223,395.

Financial review

Incoming resources amounted to £285,671 which is an increase of 2.8% over the previous year. This increase is primarily due to the additional grant income that was received in 2006/7 from The City Bridge Trust, Croydon Voluntary Action and from the Children's Workforce Development Council. These additions offset reductions in funding from London Borough of Bromley Grant SLA and Association of London Government/London Councils.

Cash management in the charity gave a return of 4.2% on its average cash holdings over the year.

CLB's resources expended during the year amounted to £306,222 a reduction of 8.2% compared to 2005/6. This was mainly due to a reduction in fundraising consultant's fees and charity shop trading expenses.

Total funds carried forward decreased by £20,551 but this represents an increase over the previous year of £35,206.

Principal funding sources

CLB's largest source of income for 2006/7 was from a Service Level Agreement with the London Borough of Bromley. In addition, funding for the Funding Information and Advice Project was provided by the City Bridge Foundation, which provided one full time post; the Association of London Councils provided funding towards the part time Community Accountant post; Change Up funding via Capacity Builders went towards the salaries of the senior management team, and other funds have been accessed via the NVSC, Governance Hub, LVSC, Volunteering England and Investors in Volunteers.

Plans for the future

Future developments

Community Links Bromley is currently undergoing a change of structure. It will continue to work towards its objects and it will continue to seek new sources of income to support its work to ensure that Bromley has a vibrant and effective voluntary and community sector.

For 2007/8, CLB has the following plans:

- **Promoting and supporting volunteering**
The Volunteer Centre will continue to process expressions of interest in volunteering from members of the public, and will offer a brokerage service for organisations with volunteering opportunities, as well as providing support for best practice in volunteer management, and organising a volunteer coordinators' forum.
- **Developing and supporting local voluntary organisations**
In 2007/08 the Organisational Development Service will continue to provide newsletters and e-mail bulletins with briefings on local and national events, in addition to organising events and workshops on a variety of topics including funding and governance issues. The website will be maintained with

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2007

comprehensive information, sector news and downloadable best practice documents. Funding is being sought in order to expand the information provision role of CLB, to promote and increase membership of CLB, and to ensure services are accessible to and used by small groups and organisations from BMER communities.

- **Providing a voice for the voluntary and community sector**

In 2007/08 CLB will work with the Voluntary Sector Reference Group (VSRG) and forums to monitor and review processes for the Compact, to revise the Local Infrastructure Development Plan and to identify, agree and establish appropriate support for the VSRG and other voluntary and community sector forums.

- **CLB Development**

The organisation will carry out a review with its members and other stakeholders to identify areas of support and development that are a priority in the Borough. It will also carry out an internal review of financial and administrative processes to ensure effective and cost efficient operations, as well as agreeing appropriate performance monitoring and quality assurance mechanisms. In addition, it will complete its review of its diversity policy and implement training plans for staff, trustees and volunteers.

Trustees' liability

The Trustees of the company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company and charity law require the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company 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 applied them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis (unless it is inappropriate to presume that the company will continue in operation).

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2007

relevant audit information and to establish that the auditors are aware of that information.

Auditors

A resolution proposing that haysmacintyre be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Trustees on 24 August 2007 and signed on its behalf, by:

Jean Levy - Trustee

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMUNITY LINKS BROMLEY

We have audited the financial statements of Community Links Bromley for the year ended 31 March 2007 set out on pages 11 to 26. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The responsibilities of the Trustees (who also act as company directors of Community Links Bromley for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the company is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMUNITY LINKS BROMLEY

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

haysmacintyre
Chartered Accountants
Registered Auditors
Fairfax House
15 Fulwood Place
London
WC1V 6AY

Date:

COMMUNITY LINKS BROMLEY
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STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2007

	Note	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	-	250	250	810
Activities for generating funds	3	-	-	-	3,673
Investment income	4	-	12,871	12,871	13,774
Incoming resources from charitable activities	5	120,526	149,007	269,533	259,507
Other incoming resources	6	-	3,017	3,017	-
TOTAL INCOMING RESOURCES		120,526	165,145	285,671	277,764
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	7	-	-	-	10,500
Fundraising expenses and other costs	3	-	-	-	14,041
Investment management expenses	8	-	23	23	126
Charitable activities	9	95,148	198,769	293,917	297,118
Governance costs	11	-	12,282	12,282	11,736
TOTAL RESOURCES EXPENDED		95,148	211,074	306,222	333,521
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		25,378	(45,929)	(20,551)	(55,757)
Transfers between Funds	17	325	(325)	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		25,703	(46,254)	(20,551)	(55,757)
NET MOVEMENT IN FUNDS FOR THE YEAR		25,703	(46,254)	(20,551)	(55,757)
<i>Total funds at 1 April 2006</i>		6,886	335,035	341,921	397,678
TOTAL FUNDS AT 31 MARCH 2007		£ 32,589	£ 288,781	£ 321,370	£ 341,921

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 13 to 26 form part of these financial statements.

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BALANCE SHEET
AS AT 31 MARCH 2007

	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Tangible fixed assets	14		5,386		10,773
CURRENT ASSETS					
Debtors	15	62,125		1,785	
Cash at bank		262,414		343,998	
		<u>324,539</u>		<u>345,783</u>	
CREDITORS: amounts falling due within one year	16	(8,555)		(14,635)	
NET CURRENT ASSETS			<u>315,984</u>		<u>331,148</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£ 321,370</u>		<u>£ 341,921</u>
CHARITY FUNDS					
Restricted funds	17		32,589		6,886
Unrestricted funds	17		288,781		335,035
			<u>£ 321,370</u>		<u>£ 341,921</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved and authorised for issue by the Trustees on 24 August 2007 and signed on their behalf, by:

Jean Levy - Trustee

The notes on pages 13 to 26 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005, applicable accounting standards and the Companies Act 1985.

1.2 Company status

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

1.3 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 company 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 which have been raised by the company for particular purposes. The cost 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.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

3. CHARITY SHOP INCOME AND EXPENDITURE

	Total Funds 2007 £	Total Funds 2006 £
Charity trading income		
Charity Shop	-	3,673
Charity trading expenses		
Charity shop expenses	-	14,041
	-	14,041
Net expenditure from charity shop income and expenditure	£ -	£ (10,368)

4. INVESTMENT INCOME

	Total Funds 2007 £	Total Funds 2006 £
Interest receivable	12,871	13,774
	£ 12,871	£ 13,774

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Grants received in respect of Support to the Voluntary sector in the London Borough of Bromley (see below)	120,526	149,007	269,533	259,507
	£ 120,526	£ 149,007	£ 269,533	£ 259,507

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NOTES TO THE FINANCIAL STATEMENTS
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Grants received for Support to the Voluntary sector in the London Borough of Bromley

	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Local Authority Grants SLA	-	137,836	137,836	160,376
Richmond CVS	-	-	-	10,040
Volunteering England	603	-	603	16,120
Association of London Government	43,316	-	43,316	70,937
London Borough of Bromley	11,000	-	11,000	-
Bridge House Trust	40,000	-	40,000	-
Croydon Voluntary Action	18,917	-	18,917	-
Other grants	6,690	11,171	17,861	2,034
Total	£ 120,526	£ 149,007	£ 269,533	£ 259,507

6. OTHER INCOMING RESOURCES

	Total Funds 2007 £	Total Funds 2006 £
Room Hire	3,017	-
Total	£ 3,017	£ -

7. FUND RAISING COSTS

	Total Funds 2007 £	Total Funds 2006 £
Consultant fees	-	10,500
Total	£ -	£ 10,500

8. INVESTMENT MANAGEMENT EXPENSES

	Total Funds 2007 £	Total Funds 2006 £
Investment management fees	23	126
Total	£ 23	£ 126

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

9. COST OF CHARITABLE ACTIVITIES

	Direct costs 2007 £	Support costs 2007 £	Total Funds 2007 £	Total Funds 2006 £
Support to the Voluntary sector in the London Borough of Bromley	£ 170,046	£ 125,635	£ 295,681	£ 297,118

10. ANALYSIS OF SUPPORT COSTS

	Premises costs £	Office costs £	Other costs £	Staff costs £	Total Funds 2007 £	Total Funds 2006 £
Support to the Voluntary sector in the London Borough of Bromley	29,961	13,321	32,584	49,769	125,635	145,458
Charity shop	-	-	-	-	-	7,542
Fundraising costs	-	-	-	-	-	7,500
Governance costs	1,066	474	1,159	1,771	4,470	6,304
Total	31,027	13,795	33,743	51,540	130,105	166,804

Allocation of support costs

All allocations are apportioned over departments, based on a percentage of total direct costs.

11. GOVERNANCE COSTS

	Unrestricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Accountancy fees	1,762	1,762	-
Auditors' remuneration	4,624	4,624	4,686
Legal & professional fees	1,163	1,163	-
Trustee meeting costs	263	263	746
Allocation of salary & overhead costs	4,470	4,470	6,304
	£ 12,282	£ 12,282	£ 11,736

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NOTES TO THE FINANCIAL STATEMENTS
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12. NET INCOME / (EXPENDITURE)

This is stated after charging:

	2007	2006
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	5,387	5,387
Auditors' remuneration	4,624	4,686
- Accountancy fees	1,762	-
Pension costs	6,373	5,615
	28,153	25,708

During the year, no Trustees received any remuneration (2006 - £NIL).

During the year, no Trustees received any benefits in kind (2006 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2006 - £NIL).

13. STAFF COSTS

Staff costs were as follows:

	2007	2006
	£	£
Wages and salaries	186,972	172,038
Social security costs	19,426	15,965
Other pension costs	6,373	5,615
	£ 212,771	£ 193,618

The average number of full-time equivalent employees during the year was as follows:

	No.	No.
Direct charitable activities	5.00	5.00
Administration	1.00	1.00
	6.00	6.00

No employee received remuneration amounting to more than £60,000 in either year.

The charity contributes to both the Pensions Trust pension scheme and to a stakeholder pension scheme. One employee only is in the Pensions Trust scheme with contributions totalling £4,460. The balance of £6,373 shown above is payable to the stakeholder scheme with Friends Provident.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

14. TANGIBLE FIXED ASSETS

	Office equipment £	Total £
Cost		
At 1 April 2006 and 31 March 2007	<u>16,160</u>	<u>16,160</u>
Depreciation		
At 1 April 2006	5,387	5,387
Charge for the year	5,387	5,387
At 31 March 2007	<u>10,774</u>	<u>10,774</u>
Net book value		
At 31 March 2007	£ 5,386	£ 5,386
At 31 March 2006	<u>£ 10,773</u>	<u>£ 10,773</u>

15. DEBTORS

	2007 £	2006 £
Prepayments	10,088	1,785
Grants Receivable	52,037	-
	<u>£ 62,125</u>	<u>£ 1,785</u>

16. CREDITORS:
Amounts falling due within one year

	2007 £	2006 £
Accruals	£ 8,555	£ 14,635
	<u>£ 8,555</u>	<u>£ 14,635</u>

COMMUNITY LINKS BROMLEY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
Designated funds					
Office Refurbishment and Dilapidations Fund	10,000	-	-	-	10,000
Fixed assets fund	10,773	-	(5,387)	-	5,386
Projected Income Shortfall Fund	136,502	-	-	(86,502)	50,000
	<u>157,275</u>	<u>-</u>	<u>(5,387)</u>	<u>(86,502)</u>	<u>65,386</u>
General funds					
General Funds	177,760	165,145	(205,687)	86,177	223,395
Total Unrestricted funds	<u>335,035</u>	<u>165,145</u>	<u>(211,074)</u>	<u>(325)</u>	<u>288,781</u>

Purposes of designated funds:

Office Refurbishment and Dilapidations Fund - this fund is set aside for regular redecoration to the offices.

The Fixed Assets Fund represents the net book value of fixed assets to reflect the amount of funds tied up in fixed assets.

Projected Income Shortfall Fund - these are funds set aside for the charity to continue operations despite a lack of adequate funding to cover operational costs in this year and the next.

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Restricted funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
Ethnic Minority Forum	2,057	-	-	-	2,057
Food Project	510	-	-	-	510
LB Bromley - Community Transport	496	-	-	-	496
Volunteer Development	1,450	-	(691)	-	759
Community Champions	1,000	-	-	-	1,000
Fixed Asset Equipment fund	745	-	-	-	745
Information & Training	-	400	(400)	-	-
Capacity Building	-	43,316	(41,243)	-	2,073
Croydon Voluntary Action	-	18,917	(14,962)	325	4,280
The City Bridge Trust	-	40,000	(21,715)	-	18,285
Children's Workforce Development	-	11,000	(11,000)	-	-
Volunteering England	37	603	-	-	640
Minibus fund	479	-	-	-	479
Richmond Community Volunteer Scheme	112	-	-	-	112
Governance hub	-	6,290	(5,137)	-	1,153
	<u>6,886</u>	<u>120,526</u>	<u>(95,148)</u>	<u>325</u>	<u>32,589</u>
Total of Funds	£ 341,921	£ 285,671	£ (306,222)	£ -	£ 321,370

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The purposes of the restricted funds are as follows:

Ethnic Minority Fund – Bromley PCT funding. This project brought black and ethnic minority voluntary organisations and statutory sector partners together for capacity building BME organisations. The balance is to be spent in 2007/8 on a Celebration of Diversity which is being held in October as part of the Black History Celebrations in Bromley.

Food Project - donated by individuals, schools and churches over recent years to purchase food to supplement food parcels where we have not been given enough of a particular type of food to complete a food parcel. As this project is no longer running the Trustees have decided that this money will be given to the Salvation Army as a donation towards their food project.

LB Bromley Community Transport - This was for community transport donated to Community Links Bromley by the London Borough of Bromley in support of the Community Transport Steering Group. Sums have so far been spent on providing MiDAS (minibus driver) training and Emergency Evacuation Procedures for Minibus Drivers and Escorts for staff and volunteers working within the Community and Voluntary Sector.

Volunteer Development - donated by the London Borough of Bromley and Volunteering England to provide training for volunteers. During 2007/8 this sum of money will be used to purchase training for the volunteers working in the Community Links Bromley offices.

Community Champions – Scarman Trust grant. Part of a scheme to support people to make a contribution to their local communities.

Fixed Asset Equipment Fund – Volunteer England funded the CLB Year of the Volunteer 2005 Action Fund. Out of this fund, £745 was provided towards the purchase of fixed assets and has consequently been transferred to a separate Fixed Asset Equipment fund.

Information and Training - The funds were provided by London Voluntary Service Council who in turn were funded by the London ChangeUp Consortium Workforce Development Project to support Adult Learners Week 2006 workforce development activities. Community Links Bromley used the funds to hold an event for trustees and management committee members of local voluntary and community organisations.

Capacity Building - As part of the government's ChangeUp initiative funding was received which contributed towards three separate projects; support for the Voluntary Sector Reference Group; a Funding Advice and Information Project and a Modernising Infrastructure Project.

Croydon Voluntary Action - The funds enabled Community Links Bromley to establish a Community Accountancy project providing support, advice, training and information on financial management and accountancy issues. The project, called Accountability, also operates in four other London boroughs with Croydon Voluntary Action as the accountable body. The funds were provided by London Councils and City Bridge Trust. The project continues in 2007/8.

The City Bridge Trust - The funds enabled Community Links Bromley to establish a funding information and advice project. The project aims to develop the capacity of small and medium sized voluntary and community organisations to respond positively to funding and financing opportunities; and build organisational capacity and skills in the areas of project design/evaluation and fundraising and financing among high priority organisations. The project continues in 2007/8.

Children's Workforce Development - funding awarded by the Children's Workforce Development Council to provide workshops for local voluntary sector providers to develop Children's Trust arrangements and the Every Child Matters framework and capacity building opportunities through: understanding the local operating environment and how organisations can get involved; how to design,

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deliver, monitor and value Children's and Young Persons' services and projects; how to develop and secure successful commissioning relationships.

Volunteering England – funding provided to focus on strengthening the core functions of brokerage, good practice development, promoting volunteering, developing new volunteering opportunities and policy and campaigning and strategic development of volunteering.

Mini-bus Fund - raised by staff and volunteers on a sponsored walk. The money was originally raised to help towards funding a replacement minibus for the one run by Community Links Bromley. As the project that used the minibus is no longer funded, it was decided by the Board that the funds will be donated to the Community Transport Steering Group to start a minibus fund. This will be done once the group is fully up and running in 2007/8.

Richmond CVS - fund managed Change Up monies on behalf of the Association of London Government to develop change up plans.

Governance hub - the funds enabled Community Links Bromley to run a support programme for new, existing and prospective trustees and committee members of local voluntary and community organisations. The programme included events and a campaign to promote trusteeship. The funds will be used in 2007/8 to establish a local trustee network.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
Designated Funds	157,275	-	(5,387)	(86,502)	65,386
General Funds	177,760	165,145	(205,687)	86,177	223,395
Other	335,035	165,145	(211,074)	(325)	288,781
Restricted Funds	6,886	120,526	(95,148)	325	32,589
	£ 341,921	£ 285,671	£ (306,222)	£ -	£ 321,370

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Tangible fixed assets	-	5,386	5,386	10,773
Current assets	33,752	290,787	324,539	345,783
Creditors due within one year	(1,163)	(7,392)	(8,555)	(14,635)
	£ 32,589	£ 288,781	£ 321,370	£ 341,921

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19. PENSION COMMITMENTS

Community Links Bromley participates in both the Pensions Trust's Growth Plan and a stakeholder scheme with Friends Provident. The charity has no further commitment in respect of The Friends Provident Scheme.

The Pensions Trust's Growth Plan is funded and is not contracted out of the state scheme. The Growth Plan is a multi-employer pension Plan.

Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity.

The rules of the Growth Plan allow for the declaration of bonuses and / or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses / investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The rules of the Growth Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

The Trustee commissions an actuarial valuation of the Growth Plan every 3 years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Growth Plan state that the proportion of obligatory contributions to be borne by the Member and the Member's Employer shall be determined by agreement between them. Such agreement shall require the Employer to pay part of such contributions and may provide that the Employer shall pay the whole of them.

Community Links Bromley paid contributions at the rate of 5% during the accounting period. Members paid contributions at the rate of 5% during the accounting period.

As at the balance sheet date there was one active member of the Plan employed by Community Links Bromley. The charity's Plan remains open to new entrants.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2005 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £675 million and the Plan's Technical Provisions (i.e. past service liabilities) were £704 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a past service funding level of 96%.

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19. PENSION COMMITMENTS (continued)

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Plan as at 30 September 2006. 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 £747million and indicated a surplus of assets compared to liabilities of approximately £2 million, equivalent to funding level of 100.2%. Annual funding updates of the Growth Plan are carried out using approximate actuarial techniques rather than member by member calculations, and will therefore not produce the same results as a full actuarial valuation. However they will provide a good indication of the financial progress of the Plan since the last full valuation.

Since the contribution rates payable to the Plan have been determined by reference to the last full actuarial valuation the following notes relate to the formal actuarial valuation as at 30 September 2005.

The financial assumptions underlying the valuations as at 30 September 2005 were as follows:

	%
	per annum
- Investment return pre retirement	6.6
- Investment return post retirement	4.5
- Bonuses on accrued benefits	0.0
- Rate of price inflation	2.5

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

In view of the small funding deficit and the level of prudence implicit in the assumptions used to calculate the Plan liabilities the Trustee has prepared a recovery plan on the basis that no additional contributions from participating employers are required at this point in time. In reaching this decision the Trustee has taken actuarial advice and has been advised that the shortfall of £29 million will be cleared within 5 years if the investment returns from assets are in line with the "best estimate" assumptions. "Best estimate" means that there is a 50% expectation that the return will be in excess of that assumed and a 50% expectation that the return will be lower than that assumed over the next 10 years. These "best estimate" assumptions are 7.6% per annum pre retirement and 4.8% per annum post retirement.

A copy of the recovery plan must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and / or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan). The Regulator has reviewed the recovery plan for the Growth Plan and confirmed that, in respect of the September 2005 actuarial

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19. PENSION COMMITMENTS (continued)

valuation, it does not propose to issue any scheme funding directions under Part 3 of the Pensions Act 2004.

The next full actuarial valuation will be carried out as at 30 September 2008. An Actuarial Report will be prepared as at 30 September 2007 in line with statutory regulations.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's pre October 2001 liability attributable to employment with the leaving employer compared to the total amount of the Plan's pre October 2001 liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The charity has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2006. As of this date the estimated employer debt for Community Links Bromley was £83,258.