

# Financial review



**The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP) applicable to charities preparing their accounts in accordance with FRS 102.**

## Financial review

With regard to financial planning for the 2020-21 year, Clinks' unrestricted reserves were reduced further in accordance with the provisions set out in our revised reserves policy (which is detailed under Reserves and Going Concern) from £432,005 to £424,700 (excluding designated funds of £29,113). There is a carry-over of £21,406 in restricted income due to restrictions imposed by Covid-19 curbing face-to-face activity and travel.

Trustees gave permission to invest £100,000 (over two financial years, 2019-20 and 2020-21) of our free reserves to develop our work with women, following the integration of Women's Breakout. This investment continues and will bring welcome additional capacity to build on our influencing work and further develop our network. Looking ahead, we now aim to secure funding from other sources to continue the success of this work.

Additional and unplanned resource was secured from both current and new funders as we diverted planned activity for the 2020-21 year to a direct Covid-19 response. We tried to ease some of the financial and logistical hardship that the voluntary sector working in the criminal justice system was feeling.

We were able to waive all membership fees and deliver free online events, roundtables and webinars for all Clinks members.

Funded primarily by HMPPS, a Summer and Winter Covid-19 Response Grants programme was designed, developed and executed. This allowed much needed unrestricted income to be injected into the sector as it responded to the restrictions imposed by Covid-19.

We provided support and resource for voluntary organisations working with families in the criminal justice system, including advocating for further investment in family services and appropriate procurement processes as part of the future commissioning of these contracts.

There was additional dedicated resource to support our work around the development of the future model for probation. The probation reforms presented potential to provide a significant role for the voluntary sector and to maximise this opportunity for the sector, support was needed to ensure that the sector was able to engage with this and that challenges and barriers were identified and highlighted.

The Race and Justice Network was introduced to support organisations led by, and focused on, racially minoritised people to facilitate better engagement with the criminal justice system.

Commissioned professional advice was sought on behalf of the sector from a variety of sector specialists in response to the uncertainties that arose from Covid-19 during the evolving environment throughout the year.

We acknowledge the vital support of our long-standing and new funders which enables the fulfilment of our strategic objectives to support the voluntary sector working in criminal justice and to implement our ambitious strategy for next year. This funding allows Clinks to create positive change for people in the criminal justice system by supporting a vibrant and resilient voluntary sector and working with our members to influence policy and practice across England and Wales.

## Principal risks and uncertainties

We have continued to improve our governance by further developing the work of the Finance and Human Resources Committee – Headed by Simon Alsop, Treasurer – including appointing new members to the committee alongside existing members who have wide reaching skills and disciplines in charity business development. The committee has supported the board in the overall management and monitoring of finance and staffing matters in Clinks by providing an appropriate level of scrutiny of the finances, HR policies and practices of Clinks prior to making recommendations on these matters to the trustees for their decision.

Clinks' trustees acknowledge their responsibility for identifying and managing the risks to which the charity is exposed. Quarterly reviews of the risk register ensure that the trustees are well informed to arrive at a set of parameters and decisions for the amount of risk they consider to be acceptable. The trustees continue to review and question the reserves policy to establish and agree an appropriate level of reserves. With this information the trustees can make informed choices about the strategic proposals put forward by the executive.

The principal risk, which continues to cause uncertainty for Clinks, is its reliance on an infrastructure grant from the Ministry of Justice which has historically provided in excess of a third of our income.

Looking back over the year and the impact the pandemic has had on the voluntary sector, and more specifically in the field of criminal justice, we understand that the impact Covid-19 has had on investments and portfolios will be felt for a significant period while investments slowly recover and the demand for funding is greater than ever. Voluntary organisations working in the criminal justice system currently struggle with the inability to cover core costs. Voluntary sector investment portfolios have suffered from the fall of the stock market and some charities have little or no financial reserves. Therefore, the need for a deliberately cautious approach to spending and preservation of Clinks' reserves is paramount to ensure financial stability in the approaching times of austerity.

Recent years have been characterised by large scale changes in the criminal justice policy and operating environment which have provided opportunities as well as challenges for voluntary organisations working in criminal justice.

There are risks that our influencing activity and work alongside criminal justice agencies lose impact as policy priorities and emphasis change and we are required to adjust direction in order to provide a responsive and reactive programme of support to the sector.

In our work as a critical friend to the government to influence key policy areas and service development, there is risk that we are perceived as not providing sufficient challenge to the government as some in the sector may wish us to do.

In such a time of change there is a risk that Clinks' dedicated staff team and limited resources will be overburdened. In turn our work to respond to this change may create pressure on the time and resources of the smaller specialist organisations.

## Reserves policy and going concern

Trustees and the Finance and Human Resources Committee continue to assess Clinks' approach to risk and our need for reserves. To establish the appropriate level of reserves in March 2021 we adopted the same methods of calculations to consider how Clinks could continue to operate in the event of a critical loss of funding as we feel that this is where we are most at risk and most vulnerable.

If this were to occur we believe that our work is essential to the sector and that there is a longer term need for Clinks' support. Our operating reserves would need to allow us to continue to operate, albeit potentially with a reduced offer and a reduced staffing team.

On that basis, the trustees agreed on a deliberately prudent approach to risk and this is the foundation on which specific scenarios have been fully costed to ensure Clinks has a margin of safety.

Clinks' business model means that income and expenditure can be forecast with reasonable accuracy. However, due to the turbulence of voluntary sector funding; uncertainty of external factors; potential delays or cessation of previously relied-upon income streams and the potential impact of Covid 19 on both the sector and investments and portfolios, the trustees feel that an operating reserve needs to be introduced to provide a core service plus the cost of an orderly wind-down of operations under the most extreme scenario.

Therefore, the reserves level Clinks needs to hold is based on the scenario in which Clinks was faced with a critical loss of funding, making the continuation of the current model untenable, but in which the board wished to continue to provide core services to the sector.

An operating reserve was costed based on a transition period with a core team to allow Clinks to re-assess and plan an alternative direction and, therefore, alternative income streams. This core staff approach would achieve maximum reach and value, until such times that financial security could be restored and a restructure and rebuild plan could be devised and executed.

Based on the recent trend of expenditure levels, the minimum amount required to execute the above is £469,709. Clinks free reserves at 31 March 2021 are £453,813.

Forecasting suggests that we would need a minimum of six months to allow Clinks the time to explore new strategies and income streams to rebuild. Should this approach be adopted, and reserves used, consideration has to be given to replenish depleted funds used in the restructure.

Caution and vigilance are paramount whilst operating at the lower levels of reserves, so that a decrease in funding or unplanned/increased expenditure (other than natural inflation or planned additional expenditure due to growth and expansion) can be weathered. Holding enough free reserves is essential should climate, attitude or policy alter substantially enough and force a position of financial hardship. Therefore a slight up-lift of 5% is included within these costings to give a smoothing effect to funding troughs.

Clinks will continue to monitor this position and a review will be undertaken in March 2022 to determine Clinks' appropriate level of reserves in relation to functionality.

## Statement on fundraising practices

Clinks holds fundraising targets for charitable trusts and statutory sources. We do not fundraise from the general public. We do occasionally ask for donations from our members by email but never through telephone or face-to-face appeals. We do occasionally use professional fundraisers to provide additional capacity for writing funding applications. Clinks keeps abreast of applicable fundraising regulation and compliance codes. We have never received a complaint for our fundraising activities.

## Structure, governance and management

Clinks is governed by a Board of Trustees, which consists of at least eight members elected by members of the charity and up to four other people who may be co-opted by the Board of Trustees. The Board of Trustees co-opts additional members to ensure a diverse board with the right mix of skills and experience.

Clinks has a Finance and Human Resources (HR) committee which meets quarterly to discuss key finance and HR issues and reports back to the Board of Trustees. It is chaired by the Treasurer. Clinks' business model now has expertise in-house for business functions such as Finance, HR and fundraising, overseen by the CEO with expertise added by Clinks' Treasurer. For any arising complex HR issues we benefit from the services of a highly experienced HR consultant who, in addition to advising the CEO, occasionally attends the Finance and HR Committee meetings to offer support and expertise to trustees.

The organisation is a charitable company limited by guarantee, incorporated on 12 May 1998 and registered as a charity on March 5 1999.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity. Expenses reclaimed from the charity are set out in note 8 to the accounts.

A scheme of delegation from the Board of Trustees to the Chief Executive, and close co-operation of sub-committees, allows appropriate decision-making between formal meetings.

### **Appointment of trustees**

Clinks benefits from an extremely experienced Chair in terms of both criminal justice expertise and experience of being a chair of the board. Roma Hooper (OBE) understands the role and contribution of the voluntary sector working with people in the criminal justice system and their families and can also help Clinks to broaden our reach and connections across the wider statutory, private and voluntary sectors so we can better support and represent the sector's needs.

A full review of the trustee recruitment journey and development has started with planned recruitment due in late spring of 2021 to identify potential new trustees in a variety of different ways, including publicising vacancies through Clinks communications channels, and a wider audience of stakeholders and the exploration of trustee recruitment platforms. We carry out regular skills audits to identify what skills gaps there might be and we are committed to improving the diversity of the board with a focus on ensuring we are able to avail ourselves of the skills and expertise offered by people with lived experience of the criminal justice system and racially minoritised people.

### **Trustee induction and training**

New trustees are given a copy of the Clinks Trustee Handbook, which includes a range of key documents, including the articles of association, recent accounts,

the business plan and minutes of previous meetings. The new trustees meet with the Chief Executive Officer and key staff to discuss the role and priorities.

Depending on their existing experience and current role, trustees are encouraged to attend seminars and other training events provided by our Auditors and the Charity Finance Group. Presentations are made at trustee meetings to provide insight into the work of Clinks and our members.

### **Remuneration policy for key management personnel**

Clinks aims to have a reward strategy which attracts, rewards and retains staff. The salaries and benefits Clinks offers to its staff, including to the senior management team and chief executive are intended to be:

- Internally as equitable as possible, and transparent as possible and understood by staff
- Market relevant but not market driven
- Cost effective and affordable.

Clinks aims to pay a starting salary at the median for relevant comparators, subject to affordability.

### **Starting salary and increments**

Posts are advertised at the base rate, with one increment awarded after one year's service and after five years' service.

Clinks' salaries are informed by the NJC salary scale and Clinks will aim to implement their cost of living award annually (subject to affordability).

The Finance and HR committee oversee the salary policy.

## Statement of responsibilities of the trustees

The trustees (who are also directors of Clinks for the purposes of company law) are responsible for preparing the trustees' annual 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2021 was eight (in 2020 it was nine). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

### Auditors

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 5 November 2021 and signed on their behalf by Simon Alsop, Treasurer.

## Independent auditor's report

### Opinion

We have audited the financial statements of Clinks (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Clinks' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report has been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company

for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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

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



## Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the audit committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - » Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance
  - » Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud
  - » The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit
- We reviewed any reports made to regulators
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

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

Jonathan Orchard (Senior statutory auditor)

5 November 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

## Financial statements

### Statement of financial activities

(incorporating an income and expenditure account)

|  | Note | 2021              |                  |                  | 2020              |                  |                  |
|--|------|-------------------|------------------|------------------|-------------------|------------------|------------------|
|  |      | Unrestricted<br>£ | Restricted<br>£  | Total<br>£       | Unrestricted<br>£ | Restricted<br>£  | Total<br>£       |
| <b>Income from:</b>                            |      |                   |                  |                  |                   |                  |                  |
| Charitable activities                          |      |                   |                  |                  |                   |                  |                  |
| Support, representation and promotion          | 2    | 464,424           | 1,681,290        | <b>2,145,714</b> | 317,869           | 1,034,796        | 1,352,665        |
| Other trading activities                       | 3    | 51,599            | 100              | <b>51,699</b>    | 100,489           | 7,072            | 107,561          |
| Interest                                       | 4    | -                 | -                | -                | -                 | -                | -                |
| <b>Total income</b>                            |      | <b>516,023</b>    | <b>1,681,390</b> | <b>2,197,413</b> | <b>418,358</b>    | <b>1,041,868</b> | <b>1,460,226</b> |
| <b>Expenditure on:</b>                         |      |                   |                  |                  |                   |                  |                  |
| Charitable activities                          |      |                   |                  |                  |                   |                  |                  |
| Support, representation and promotion          | 5a   | 573,277           | 1,701,810        | <b>2,275,087</b> | 505,434           | 1,060,420        | 1,565,854        |
| <b>Total expenditure</b>                       |      | <b>573,277</b>    | <b>1,701,810</b> | <b>2,275,087</b> | <b>505,434</b>    | <b>1,060,420</b> | <b>1,565,854</b> |
| <b>Net (expenditure) / income for the year</b> | 7    | <b>(57,254)</b>   | <b>(20,420)</b>  | <b>(77,674)</b>  | <b>(87,076)</b>   | <b>(18,552)</b>  | <b>(105,628)</b> |
| Transfers between funds                        |      | 1,033             | (1,033)          | -                | (8,348)           | 8,348            | -                |
| <b>Net movement in funds</b>                   |      | <b>(56,221)</b>   | <b>(21,453)</b>  | <b>(77,674)</b>  | <b>(95,424)</b>   | <b>(10,204)</b>  | <b>(105,628)</b> |
| Reconciliation of funds:                       |      |                   |                  |                  |                   |                  |                  |
| Total funds brought forward                    |      | 510,034           | 42,859           | <b>552,893</b>   | 605,458           | 53,063           | 658,521          |
| <b>Total funds carried forward</b>             |      | <b>453,813</b>    | <b>21,406</b>    | <b>475,219</b>   | <b>510,034</b>    | <b>42,859</b>    | <b>552,893</b>   |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

### Balance sheet

as at 31 March 2021

|  | Note | 2021    |                | 2020    |                |
|--|------|---------|----------------|---------|----------------|
|  |      | £       | £              | £       | £              |
| <b>Fixed assets:</b>                           |      |         |                |         |                |
| Tangible assets                                | 12   |         | <b>18,394</b>  |         | 9,202          |
| <b>Current assets:</b>                         |      |         |                |         |                |
| Debtors  | 13   | 39,521  |                | 267,704 |                |
| Short term deposit                             |      | 297,903 |                | 297,971 |                |
| Cash at bank and in hand                       |      | 343,371 |                | 330,003 |                |
|  |      | 680,795 |                | 895,678 |                |
| <b>Liabilities:</b>                            |      |         |                |         |                |
| Creditors: amounts falling due within one year | 14   | 223,970 |                | 351,986 |                |
| <b>Net current assets</b>                      |      |         | <b>456,825</b> |         | <b>543,691</b> |
| <b>Total net assets</b>                        |      |         | <b>475,219</b> |         | <b>552,893</b> |
| <b>The funds of the charity:</b>               |      |         |                |         |                |
| Restricted income funds                        | 18a  | -       | <b>21,406</b>  |         | 42,859         |
| Unrestricted income funds:                     |      |         |                |         |                |
| General funds                                  |      | 424,700 |                | 432,005 |                |
| Designated funds                               |      | 29,113  |                | 78,029  |                |
| Total unrestricted funds                       |      |         | <b>453,813</b> |         | 510,034        |
| <b>Total charity funds</b>                     |      |         | <b>475,219</b> |         | <b>552,893</b> |

Approved by the management committee on 5 November 2021 and signed on its behalf by:  
**Simon Alsop** Treasurer

Clinks is a registered charity no. 1074546 and a company limited by guarantee, registered in England and Wales no. 3562176.

## Statement of cash flows for the year ended 31 March 2021

### Reconciliation of net income / (expenditure) to net cash flow from operating activities

|   | 2021<br>£        | 2020<br>£ |
|---|------------------|-----------|
| <b>Net income / (expenditure) for the reporting period<br/>(as per the statement of financial activities)</b> | <b>(77,674)</b>  | (105,628) |
| Depreciation charges  | <b>9,612</b>     | 5,737     |
| (Increase)/decrease in debtors  | <b>228,179</b>   | (58,140)  |
| Increase/(decrease) in creditors  | <b>(128,016)</b> | 155,948   |
| <b>Net cash provided by / (used in) operating activities</b>  | <b>32,101</b>    | (2,083)   |

|  |      | 2021     |          | 2020    |         |
|--|------|----------|----------|---------|---------|
|  | Note | £        | £        | £       | £       |
| <b>Cash flows from operating activities</b>                  |      |          |          |         |         |
| <b>Net cash provided by / (used in) operating activities</b> | 18   |          | 32,101   |         | (2,083) |
| <b>Cash flows from investing activities:</b>                 |      |          |          |         |         |
| Dividends, interest and rents from investments               |      | -        |          | -       |         |
| Purchase of fixed assets                                     |      | (18,804) |          | (2,520) |         |
| <b>Net cash provided by / (used in) investing activities</b> |      |          | (18,804) |         | (2,520) |
| <b>Change in cash and cash equivalents in the year</b>       |      |          | 13,297   |         | (4,603) |
| Cash and cash equivalents at the beginning of the year       |      |          | 627,977  |         | 632,580 |
| <b>Cash and cash equivalents at the end of the year</b>      | 19   |          | 641,274  |         | 627,977 |

## Notes to the financial statements

for the year ended 31 March 2021

### 1. Accounting policies

#### a. Statutory information

Clinks is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address is Block C 5<sup>th</sup> Floor, Tavistock House, Tavistock Square, London WC1H 9JJ.

#### b. Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015/March 2018) and the Companies Act 2006/Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

**c. Public benefit entity**

The charitable company meets the definition of a public benefit entity under FRS 102.

**d. Going concern**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Clinks has taken a deliberately prudent approach in reserves planning to ensure smoothing over austere and uncertain times.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**e. Income**

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

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

**f. Interest receivable**

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

**g. Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

**h. Expenditure and irrecoverable VAT**

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

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

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

**i. Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned based on the estimated staff time attributable to each activity.

- Projects 92%
- Support costs 8%
- Governance costs

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

#### **j. Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

#### **k. Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £150.

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Computer            4 years

#### **l. Debtors**

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

#### **m. Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

#### **n. Creditors and provisions**

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

#### **o. Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

#### **p. Pensions**

The charity makes contributions to a defined contribution scheme and to employees' personal pension plans based on a fixed percentage of salary. Contributions are charged as expenditure in the year in which they are incurred.

## 2. Income from charitable activities

|  | 2021              |                 |                  | 2020              |                 |            |
|--|-------------------|-----------------|------------------|-------------------|-----------------|------------|
|  | Unrestricted<br>£ | Restricted<br>£ | Total<br>£       | Unrestricted<br>£ | Restricted<br>£ | Total<br>£ |
| <b>Grants</b>  | 464,424           | 1,681,290       | <b>2,145,714</b> | 317,869           | 1,034,796       | 1,352,665  |
| <b>Total income from charitable activities</b>   | 464,424           | 1,681,290       | <b>2,145,714</b> | 317,869           | 1,034,796       | 1,352,665  |
| <b>Restricted grants consist of:</b>   |                   |                 |                  |                   |                 |            |
| Lloyds Bank Foundation for England & Wales   | -                 | 92,390          | <b>92,390</b>    | -                 | 25,491          | 25,491     |
| Woolbeding Charity (Monument Trust)  | -                 | 50,000          | <b>50,000</b>    | -                 | 50,000          | 50,000     |
| Barrow Cadbury Trust   | -                 | 50,000          | <b>50,000</b>    | -                 | 52,000          | 52,000     |
| Ministry of Justice – Infrastructure Grant   | -                 | 1,210,000       | <b>1,210,000</b> | -                 | 550,000         | 550,000    |
| City Bridge Trust  | -                 | 54,000          | <b>54,000</b>    | -                 | -               | -          |
| Ministry of Justice – Women’s Capacity Building  | -                 | -               | -                | -                 | 35,000          | 35,000     |
| Ministry of Justice – 10 Prisons Project   | -                 | -               | -                | -                 | 32,492          | 32,492     |
| Arts Council England   | -                 | 66,196          | <b>66,196</b>    | -                 | 65,000          | 65,000     |
| Paul Hamlyn Foundation (Inspiring Futures)   | -                 | -               | -                | -                 | 110,000         | 110,000    |
| Rothschild Foundation  | -                 | 21,500          | <b>21,500</b>    | -                 | 28,500          | 28,500     |
| Cambridge University   | -                 | 8,712           | <b>8,712</b>     | -                 | 4,356           | 4,356      |
| Making Every Adult Matter (MEAM)   | -                 | 23,492          | <b>23,492</b>    | -                 | 21,957          | 21,957     |
| Department of Health and Social Care VCSE Health and Wellbeing Alliance                      | -                 | 80,000          | <b>80,000</b>    | -                 | 60,000          | 60,000     |
| Department of Health and Social Care VCSE Health and Wellbeing Alliance – Mental Health Work | -                 | -               | -                | -                 | -               | -          |
| Greater London Authority – Civil Society Roots Fund  | -                 | 25,000          | <b>25,000</b>    | -                 | -               | -          |
| Stiftung Auxilium – Porticus UK  | -                 | -               | -                | -                 | -               | -          |
| <b>Sub-total</b>   | -                 | 1,681,290       | <b>1,681,290</b> | -                 | 1,034,796       | 1,034,796  |

## 3. Income from other trading activities

|                           | 2021              |                 |               | 2020              |                 |                |
|---------------------------|-------------------|-----------------|---------------|-------------------|-----------------|----------------|
|                           | Unrestricted<br>£ | Restricted<br>£ | Total<br>£    | Unrestricted<br>£ | Restricted<br>£ | Total<br>£     |
| Membership fees           | 23,301            | -               | <b>23,301</b> | 54,884            | -               | 54,884         |
| Associate membership fees | 8,130             | -               | <b>8,130</b>  | 4,500             | -               | 4,500          |
| Consultancy Fees Earned   | 500               | -               | <b>500</b>    | 1,625             | -               | 1,625          |
| Paid listings             | 3,440             | -               | <b>3,440</b>  | 2,940             | -               | 2,940          |
| Conference fees           | 750               | -               | <b>750</b>    | 11,806            | 940             | 12,746         |
| Sales of Publications     | -                 | -               | -             | 140               | -               | 140            |
| Donations                 | 1,185             | -               | <b>1,185</b>  | 600               | 573             | 1,173          |
| Other income              | 14,294            | 100             | <b>14,394</b> | 23,994            | 5,559           | 29,553         |
| <b>Sub-total</b>          | <b>51,599</b>     | <b>100</b>      | <b>51,699</b> | <b>100,489</b>    | <b>7,072</b>    | <b>107,561</b> |

## 4. Income from investments

|                     | 2021              |                 |            | 2020              |                 |            |
|---------------------|-------------------|-----------------|------------|-------------------|-----------------|------------|
|                     | Unrestricted<br>£ | Restricted<br>£ | Total<br>£ | Unrestricted<br>£ | Restricted<br>£ | Total<br>£ |
| Interest receivable | -                 | -               | -          | -                 | -               | -          |
| <b>Sub-total</b>    | <b>-</b>          | <b>-</b>        | <b>-</b>   | <b>-</b>          | <b>-</b>        | <b>-</b>   |

## 5a. Analysis of expenditure

|   | Direct cost of activities | Grant funding of activities | Support costs  | 2021 Total       | 2020 Total       |
|---|---------------------------|-----------------------------|----------------|------------------|------------------|
|   | £                         | £                           | £              | £                | £                |
| Ministry of Justice – Infrastructure Fund                                 | 509,764                   | 645,760                     | 54,476         | <b>1,210,000</b> | 550,000          |
| Other support, representation and promotion activities                    | 325,361                   | 20,000                      | 110,227        | <b>455,588</b>   | 439,643          |
| West Yorkshire PCC  | -                         | -                           | -              | -                | 30,888           |
| Department of Health and Social Care – VCSE Health and Wellbeing Alliance | 57,458                    | 34,499                      | 288            | <b>92,245</b>    | 70,791           |
| Arts Alliance   | 163,109                   | 8,900                       | 3,942          | <b>175,951</b>   | 118,404          |
| Rothschild Foundation   | 5,976                     | -                           | -              | <b>5,976</b>     | 13,626           |
| Paul Hamlyn Foundation (Inspiring Futures)                                | -                         | -                           | -              | -                | 110,579          |
| The Good Prison (Lemos and Crane)   | -                         | -                           | -              | -                | 2,430            |
| Ministry of Justice – 10 Prisons Project                                  | -                         | -                           | -              | -                | 32,492           |
| City Bridge Trust   | 37,614                    | -                           | 7,259          | <b>44,873</b>    | -                |
| Lloyds Bank Foundation for England & Wales                                | 81,483                    | -                           | 6,867          | <b>88,350</b>    | -                |
| Greater London Authority – Civil Society Roots Fund                       | 14,057                    | -                           | 2,704          | <b>16,761</b>    | -                |
| Women’s Network   | 10,691                    | -                           | -              | <b>10,691</b>    | 7,344            |
| Ministry of Justice – Women’s Capacity Building                           | 33,745                    | -                           | 808            | <b>34,553</b>    | 27,460           |
| Policy Engagement – Barrow Cadbury Trust                                  | 50,174                    | -                           | -              | <b>50,174</b>    | 58,081           |
| Making Every Adult Matter (MEAM) – Policy                                 | 22,246                    | -                           | -              | <b>22,246</b>    | 30,305           |
| NE Local Development  | 42,815                    | -                           | 8,715          | <b>51,530</b>    | 47,099           |
| NW Local Development  | 15,532                    | -                           | 617            | <b>16,149</b>    | 18,692           |
| Farmer Review   | -                         | -                           | -              | -                | 8,021            |
|   | <b>1,370,025</b>          | <b>709,159</b>              | <b>195,903</b> | <b>2,275,087</b> | <b>1,565,854</b> |

(Note 5a continued)

|   | Direct cost of activities | Grant funding of activities | Support costs  | 2021 Total       | 2020 Total       |
|---|---------------------------|-----------------------------|----------------|------------------|------------------|
|   | £                         | £                           | £              | £                | £                |
| Grants and partnership payments made (note 6) | -                         | 709,159                     | -              | <b>709,159</b>   | 114,795          |
| Salaries                                      | 1,161,011                 | -                           | -              | <b>1,161,011</b> | 1,059,060        |
| Travel and subsistence for staff              | 185                       | -                           | -              | <b>185</b>       | 69,756           |
| Recruitment costs                             | 6,019                     | -                           | -              | <b>6,019</b>     | 2,497            |
| Fees for freelance workers                    | 65,997                    | -                           | -              | <b>65,997</b>    | 58,570           |
| Rent  | -                         | -                           | 106,335        | <b>106,335</b>   | 45,628           |
| Insurance                                     | -                         | -                           | 1,353          | <b>1,353</b>     | 1,134            |
| Stationery, printing and photocopy            | -                         | -                           | 16,096         | <b>16,096</b>    | 13,407           |
| Telephone and internet charges                | -                         | -                           | 18,171         | <b>18,171</b>    | 14,050           |
| Postage                                       | -                         | -                           | 1,991          | <b>1,991</b>     | 1,589            |
| Computer software and maintenance             | -                         | -                           | 15,461         | <b>15,461</b>    | 21,272           |
| Subscriptions                                 | -                         | -                           | 1,949          | <b>1,949</b>     | 3,919            |
| Newsletter and publications                   | 13,906                    | -                           | -              | <b>13,906</b>    | 33,256           |
| Training for staff and volunteers             | 16,315                    | -                           | -              | <b>16,315</b>    | 9,761            |
| Training for beneficiaries                    | 13,400                    | -                           | -              | <b>13,400</b>    | 6,409            |
| Depreciation                                  | -                         | -                           | 9,612          | <b>9,612</b>     | 5,737            |
| Conference costs                              | 9,123                     | -                           | -              | <b>9,123</b>     | 20,293           |
| Database development                          | -                         | -                           | -              | -                | 7,878            |
| Professional fees                             | 74,304                    | -                           | -              | <b>74,304</b>    | 24,188           |
| Rates, light and heat                         | -                         | -                           | -              | -                | -                |
| Bank charges and interest                     | -                         | -                           | 69             | <b>69</b>        | 208              |
| Meeting costs                                 | -                         | -                           | 1,316          | <b>1,316</b>     | 14,293           |
| Website development                           | 26,175                    | -                           | -              | <b>26,175</b>    | 36,429           |
| Partners staff fees                           | -                         | -                           | -              | -                | 1,550            |
| Digital media - licences                      | 7,140                     | -                           | -              | <b>7,140</b>     | 121              |
| Health & safety                               | -                         | -                           | -              | -                | 54               |
|   | <b>1,393,575</b>          | <b>709,159</b>              | <b>172,353</b> | <b>2,275,087</b> | <b>1,565,854</b> |

## 5b. Analysis of expenditure (prior year)

|  | Direct cost of activities | Grant funding of activities | Support costs  | 2020 Total       | 2019 Total       |
|--|---------------------------|-----------------------------|----------------|------------------|------------------|
|  | £                         | £                           | £              | £                | £                |
| Ministry of Justice – Infrastructure Fund  | 515,021                   | -                           | 34,979         | <b>550,000</b>   | 550,000          |
| Other support, representation and promotion activities                                       | 378,532                   | -                           | 61,110         | <b>439,643</b>   | 333,164          |
| West Yorkshire PCC   | 30,233                    | -                           | 655            | <b>30,888</b>    | 32,840           |
| Department of Health and Social Care – VCSE Health and Wellbeing Alliance                    | 54,981                    | 15,000                      | 809            | <b>70,791</b>    | 60,000           |
| Arts Alliance  | 115,100                   | -                           | 3,304          | <b>118,404</b>   | 122,313          |
| Rothschild Foundation  | 13,510                    | -                           | 116            | <b>13,626</b>    | -                |
| Paul Hamlyn Foundation (Inspiring Futures)   | 14,833                    | 89,579                      | 6,167          | <b>110,579</b>   | -                |
| The Good Prison (Lemos and Crane)  | 2,430                     | -                           | -              | <b>2,430</b>     | 143              |
| Ministry of Justice – 10 Prisons Project   | 22,276                    | 10,216                      | -              | <b>32,492</b>    | 36,497           |
| Department of Health and Social Care VCSE Health and Wellbeing Alliance – Mental Health Work | -                         | -                           | -              | <b>-</b>         | 25,000           |
| Women’s Network  | 7,344                     | -                           | -              | <b>7,344</b>     | 20,305           |
| Ministry of Justice – Women’s Capacity Building  | 26,982                    | -                           | 478            | <b>27,460</b>    | -                |
| Policy Engagement – Barrow Cadbury Trust   | 58,081                    | -                           | -              | <b>58,081</b>    | 42,919           |
| Making Every Adult Matter (MEAM) – Policy  | 30,305                    | -                           | -              | <b>30,305</b>    | 25,013           |
| NE Local Development   | 39,802                    | -                           | 7,297          | <b>47,099</b>    | 48,987           |
| NW Local Development   | 18,255                    | -                           | 437            | <b>18,692</b>    | 25,441           |
| Farmer Review  | 8,021                     | -                           | -              | <b>8,021</b>     | 25,568           |
|  | <b>1,335,707</b>          | <b>114,795</b>              | <b>115,352</b> | <b>1,565,854</b> | <b>1,348,190</b> |

(Note 5b continued)

|   | Direct cost of activities | Grant funding of activities | Support costs  | 2020 Total       | 2019 Total       |
|---|---------------------------|-----------------------------|----------------|------------------|------------------|
|   | £                         | £                           | £              | £                | £                |
| Grants and partnership payments made (note 6) | -                         | 114,795                     | -              | <b>114,795</b>   | 59,507           |
| Salaries                                      | 1,059,060                 | -                           | -              | <b>1,059,060</b> | 867,394          |
| Travel and subsistence for staff              | 69,756                    | -                           | -              | <b>69,756</b>    | 63,864           |
| Recruitment costs                             | 2,497                     | -                           | -              | <b>2,497</b>     | 13,055           |
| Fees for freelance workers                    | 58,570                    | -                           | -              | <b>58,570</b>    | 60,142           |
| Rent  | -                         | -                           | 45,628         | <b>45,628</b>    | 30,605           |
| Insurance                                     | -                         | -                           | 1,134          | <b>1,134</b>     | -                |
| Stationery, printing and photocopy            | -                         | -                           | 13,407         | <b>13,407</b>    | 16,575           |
| Telephone and internet charges                | -                         | -                           | 14,050         | <b>14,050</b>    | 13,573           |
| Postage                                       | -                         | -                           | 1,589          | <b>1,589</b>     | 4,323            |
| Computer software and maintenance             | -                         | -                           | 21,272         | <b>21,272</b>    | 15,948           |
| Subscriptions                                 | 3,919                     | -                           | -              | <b>3,919</b>     | 2,519            |
| Newsletter and publications                   | 33,256                    | -                           | -              | <b>33,256</b>    | 19,613           |
| Training for staff and volunteers             | 9,761                     | -                           | -              | <b>9,761</b>     | 8,856            |
| Training for beneficiaries                    | 6,409                     | -                           | -              | <b>6,409</b>     | 6,238            |
| Depreciation                                  | -                         | -                           | 5,737          | <b>5,737</b>     | 5,673            |
| Conference costs                              | 20,293                    | -                           | -              | <b>20,293</b>    | 50,719           |
| Database development                          | 7,878                     | -                           | -              | <b>7,878</b>     | 4,200            |
| Professional fees                             | 24,188                    | -                           | -              | <b>24,188</b>    | 21,083           |
| Rates, light and heat                         | -                         | -                           | -              | <b>-</b>         | -                |
| Bank charges and interest                     | -                         | -                           | 208            | <b>208</b>       | 295              |
| Meeting costs                                 | -                         | -                           | 14,293         | <b>14,293</b>    | 13,082           |
| Website development                           | 36,429                    | -                           | -              | <b>36,429</b>    | 65,260           |
| Partners staff fees                           | 1,550                     | -                           | -              | <b>1,550</b>     | 1,504            |
| Digital media - licences                      | 121                       | -                           | -              | <b>121</b>       | 3,389            |
| Health & safety                               | -                         | -                           | 54             | <b>54</b>        | 773              |
|   | <b>1,333,687</b>          | <b>114,795</b>              | <b>117,372</b> | <b>1,565,854</b> | <b>1,348,190</b> |



## 6a. Grant making (current year)

|   | Grants to institutions | 2021           | 2020           |
|---|------------------------|----------------|----------------|
|   | £                      | £              | £              |
| Department of Health and Social Care – VCSE Health and Wellbeing Alliance | 34,499                 | <b>34,499</b>  | 15,000         |
| Summer & Winter Covid-19 recovery grants                                  | 463,500                | <b>463,500</b> | 10,216         |
| Race and justice probation grants   | 202,260                | <b>202,260</b> | 89,576         |
| Arts Council England Bursary Scheme                                       | 8,900                  | <b>8,900</b>   | -              |
| <b>At the end of the year</b>   | <b>709,159</b>         | <b>709,159</b> | <b>114,792</b> |

Most grants are made to solicit expertise from specialist organisations: Clinks has been working in partnership with Nacro on the Health and Wellbeing Alliance since 2017. Nacro brings a unique perspective to the health work due to its experience of delivering key health in justice interventions, such as community-based substance misuse services, as well as working on intersecting issues such as housing and education. An additional £20,000 was secured by Clinks for additional partnership working with Recoop and Birth Companions.

### Race and justice probation grants

We were funded by the Ministry of Justice to promote and develop stewardship of organisations led by, and focused on, racially minoritised people to facilitate better engagement with the criminal justice system. The purpose of the work is to build capacity within voluntary organisations led by and focused on racially minoritised people to prepare them to participate fully in new probation arrangements and other opportunities that may be provided by the co-commissioning of services by probation regional directors with PCCs and other statutory partners, to improve rehabilitation outcomes and divert people from the criminal justice system.

NCJAA was supported by Tipp to deliver on the Arts Council England bursary scheme.

## 6b. Grant making (prior year)

|                               | Grants to institutions | 2020           | 2019          |
|-------------------------------|------------------------|----------------|---------------|
|                               | £                      | £              | £             |
| NACRO                         | -                      | <b>15,000</b>  | 16,008        |
| 2 <sup>nd</sup> Chance        | -                      | -              | -             |
| 10 Prisons Project            | -                      | <b>10,216</b>  | 30,653        |
| Homeless Link                 | -                      | -              | -             |
| HWA Mental Health Work        | -                      | <b>89,576</b>  | 12,846        |
| <b>At the end of the year</b> | <b>-</b>               | <b>114,792</b> | <b>59,507</b> |

## 7. Net income / (expenditure) for the year

This is stated after charging / (crediting):

|  | 2021          | 2020   |
|--|---------------|--------|
|  | £             | £      |
| <b>Depreciation</b>                            | <b>9,612</b>  | 5,737  |
| <b>Operating lease rentals:</b>                |               |        |
| Property                                       | <b>67,000</b> | 74,794 |
| <b>Auditor's remuneration (excluding VAT):</b> |               |        |
| Other services                                 | <b>7,400</b>  | 7,400  |

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

Staff costs were as follows:

|   | 2021             | 2020      |
|---|------------------|-----------|
|   | £                | £         |
| Salaries and wages                                | 1,012,188        | 864,564   |
| Termination cost                                  | -                | 60,000    |
| Social security costs                             | 97,703           | 88,239    |
| Pension contributions and other employee benefits | 51,123           | 46,257    |
|   | <b>1,161,014</b> | 1,059,060 |

Regular reviews are undertaken to ensure that Clinks has the right blend of professional business focus, strategic direction and sector knowledge.

The following number of employees received salary and employee benefits (excluding employer pension costs) during the year between:

|                   | 2021 | 2020 |
|-------------------|------|------|
|                   | No.  | No.  |
| £80,000 - £89,999 | 1    | 1    |

The total employee benefits including pension contributions of the key management personnel were £382,751 (2020: £324,600). In the year ending March 2021, the senior management team comprised of the CEO plus four key employees.

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling nil (virtual engagement due to Covid 19) (2020: £9,534) incurred by 11 (2020: 11) members relating to attendance at meetings of the trustees.

## 9. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

|            | 2021        | 2020 |
|------------|-------------|------|
|            | No.         | No.  |
| Projects   | 16.0        | 13.0 |
| Support    | 10.0        | 10.0 |
| Governance | 1.0         | 1.0  |
|            | <b>27.0</b> | 24.0 |

## 10. Related party transactions

There are no related party transactions to disclose for 2021 (2020: none).

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

## 11. Taxation

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

## 12. Tangible fixed assets

|  | Computer<br>equipment | Total         |
|--|-----------------------|---------------|
|  | £                     | £             |
| <b>Cost or valuation</b>                     |                       |               |
| At the start of the year                     | 72,700                | <b>72,700</b> |
| Additions in year                            | 18,804                | <b>18,804</b> |
| At the end of the year                       | 91,504                | <b>91,504</b> |
| <b>Depreciation</b>                          |                       |               |
| At the start of the year                     | 63,499                | <b>63,499</b> |
| Charge for the year                          | 9,612                 | <b>9,612</b>  |
| At the end of the year                       | 73,111                | <b>73,111</b> |
| <b>Net book value at the end of the year</b> |                       |               |
| At the start of the year                     | 9,202                 | <b>9,202</b>  |

All of the above assets are used for charitable purposes.

## 13. Debtors

|               | 2021          | 2020    |
|---------------|---------------|---------|
|               | £             | £       |
| Trade debtors | <b>26,499</b> | 244,202 |
| Other debtors | <b>2,248</b>  | 10,844  |
| Prepayments   | <b>10,774</b> | 12,658  |
|               | <b>39,521</b> | 267,704 |

## 14. Creditors: amounts falling due within one year

|                              | 2021            | 2020    |
|------------------------------|-----------------|---------|
|                              | £               | £       |
| Trade creditors              | <b>6,006</b>    | 74,942  |
| Taxation and social security | <b>38,088</b>   | 31,788  |
| Other creditors              | <b>(10,231)</b> | (6,409) |
| Accruals                     | <b>43,107</b>   | 95,414  |
| Deferred income              | <b>147,000</b>  | 156,251 |
|                              | <b>223,970</b>  | 351,986 |

## 15. Deferred income

Deferred income comprises membership and grant income received during the year for use in 2020-21.

|                                       | 2021<br>£      | 2020<br>£      |
|---------------------------------------|----------------|----------------|
| Balance at the beginning of the year  | 156,251        | 100,458        |
| Amount released to income in the year | (156,251)      | (100,458)      |
| Amount deferred in the year           | 147,000        | 156,251        |
| <b>Balance at the end of the year</b> | <b>147,000</b> | <b>156,251</b> |

## 17a. Analysis of net assets between funds (current year)

|  | General<br>unrestricted<br>£ | Restricted<br>£ | Total funds<br>£ |
|--|------------------------------|-----------------|------------------|
| Tangible fixed assets                    | 18,394                       | -               | 18,394           |
| Net current assets                       | 435,419                      | 21,406          | 456,825          |
| <b>Net assets at the end of the year</b> | <b>453,813</b>               | <b>21,406</b>   | <b>475,219</b>   |

## 17b. Analysis of net assets between funds (prior year)

|  | General<br>unrestricted<br>£ | Restricted<br>£ | Total funds<br>£ |
|--|------------------------------|-----------------|------------------|
| Tangible fixed assets                    | 9,202                        | -               | 9,202            |
| Net current assets                       | 500,832                      | 42,859          | 543,691          |
| <b>Net assets at the end of the year</b> | <b>510,034</b>               | <b>42,859</b>   | <b>552,893</b>   |

## 18a. Movements in funds (current year)

|  | at 1 April<br>2020<br>£ | Income<br>& gains<br>£ | Expenditure<br>& losses<br>£ | Transfers<br>£ | at 31 March<br>2021<br>£ |
|--|-------------------------|------------------------|------------------------------|----------------|--------------------------|
| <b>Restricted funds:</b>   |                         |                        |                              |                |                          |
| Arts Alliance  | 35,319                  | 146,508                | (181,927)                    | 100            | ()                       |
| Lloyds Bank Foundation for England & Wales                                   | -                       | 92,390                 | (88,350)                     | -              | 4,040                    |
| Women's Network  | -                       | -                      | -                            | -              | -                        |
| Ministry of Justice – Women's Capacity Building                              | 7,540                   | -                      | (7,540)                      | -              | -                        |
| Department of Health and Social Care<br>– VCSE Health and Wellbeing Alliance | -                       | 80,000                 | (80,000)                     | -              | -                        |
| Making Every Adult Matter (MEAM) – Policy                                    | -                       | 23,492                 | (22,246)                     | (1,246)        | -                        |
| City Bridge Trust  | -                       | 54,000                 | (44,873)                     | -              | 9,127                    |
| Ministry of Justice – Infrastructure Fund                                    | -                       | 1,210,000              | (1,209,939)                  | (61)           | -                        |
| Greater London Authority – Civil Society Roots Fund                          | -                       | 25,000                 | (16,761)                     | -              | 8,239                    |
| Barrow Cadbury Trust – Policy  | -                       | 50,000                 | (50,174)                     | 174            | -                        |
| <b>Total restricted funds</b>  | <b>42,859</b>           | <b>1,681,390</b>       | <b>(1,701,810)</b>           | <b>(1,033)</b> | <b>21,406</b>            |
| <b>Unrestricted funds:</b>   |                         |                        |                              |                |                          |
| Paul Hamlyn Foundation   | -                       | 70,000                 | (70,000)                     | -              | -                        |
| Esmée Fairbairn Foundation   | -                       | 97,500                 | (97,500)                     | -              | -                        |
| AB Charitable Trust  | -                       | 50,000                 | (50,000)                     | -              | -                        |
| Tudor Trust  | -                       | 15,000                 | (15,000)                     | -              | -                        |
| Garfield Weston Foundation   | -                       | 75,000                 | (75,000)                     | -              | -                        |
| Goldsmith's Company Charity  | -                       | 30,000                 | (30,000)                     | -              | -                        |
| Woolbeding Charity (Monument Trust)  | -                       | 50,000                 | (50,000)                     | -              | -                        |
| General funds  | 432,005                 | 128,523                | (135,828)                    | -              | 424,700                  |
| <b>Total unrestricted funds</b>  | <b>432,005</b>          | <b>516,023</b>         | <b>(523,328)</b>             | <b>-</b>       | <b>424,700</b>           |
| <b>Designated Funds:</b>   |                         |                        |                              |                |                          |
| Web development, office move and Women's Work                                | 78,029                  | -                      | (49,949)                     | 1,033          | 29,113                   |
| <b>Total unrestricted funds</b>  | <b>510,034</b>          | <b>516,023</b>         | <b>(573,277)</b>             | <b>1,033</b>   | <b>453,813</b>           |
| <b>Total funds</b>   | <b>552,893</b>          | <b>2,197,413</b>       | <b>(2,275,087)</b>           | <b>-</b>       | <b>475,219</b>           |

## 18b. Movements in funds (prior year)

|  | At 1 April<br>2019 | Income<br>& gains | Expenditure<br>& losses | Transfers      | At 31 March<br>2020 |
|--|--------------------|-------------------|-------------------------|----------------|---------------------|
|  | £                  | £                 | £                       | £              | £                   |
| <b>Restricted funds:</b>   |                    |                   |                         |                |                     |
| Arts Alliance  | 13,000             | 264,928           | (242,609)               | -              | <b>35,319</b>       |
| Farmer Review  | 8,021              | -                 | (8,021)                 | -              | -                   |
| Women's Network  | 7,344              | -                 | (7,344)                 | -              | -                   |
| Ministry of Justice – Women's Capacity Building                              | -                  | 35,000            | (27,460)                | -              | <b>7,540</b>        |
| Department of Health and Social Care<br>– VCSE Health and Wellbeing Alliance | 10,790             | 60,000            | (70,790)                | -              | -                   |
| Making Every Adult Matter (MEAM) – Policy                                    | -                  | 21,957            | (30,305)                | 8,348          | -                   |
| Ministry of Justice – 10 Prisons Project                                     | -                  | 32,492            | (32,492)                | -              | -                   |
| Ministry of Justice – Infrastructure Fund                                    | -                  | 550,000           | (550,000)               | -              | -                   |
| The Good Prison (Lemos and Crane)  | 2,430              | -                 | (2,430)                 | -              | -                   |
| Barrow Cadbury Trust – Policy  | 6,081              | 52,000            | (58,081)                | -              | -                   |
| Yorkshire Local Development  | 5,397              | 25,491            | (30,888)                | -              | -                   |
| <b>Total restricted funds</b>  | <b>53,063</b>      | <b>1,041,868</b>  | <b>(1,060,420)</b>      | <b>8,348</b>   | <b>42,859</b>       |
| <b>Unrestricted funds:</b>   |                    |                   |                         |                |                     |
| Paul Hamlyn Foundation   | -                  | 100,000           | (100,000)               | -              | -                   |
| Bromley Trust  | -                  | 10,000            | (10,000)                | -              | -                   |
| Esmée Fairbairn Foundation   | -                  | 65,000            | (65,000)                | -              | -                   |
| Goldsmith's Company Charity  | -                  | 30,000            | (30,000)                | -              | -                   |
| Woolbeding Charity (Monument Trust)  | -                  | 50,000            | (50,000)                | -              | -                   |
| General funds  | 464,598            | 163,358           | (187,604)               | (8,348)        | <b>432,005</b>      |
| <b>Total unrestricted funds</b>  | <b>464,598</b>     | <b>418,358</b>    | <b>(442,604)</b>        | <b>(8,348)</b> | <b>432,005</b>      |
| <b>Designated Funds:</b>   |                    |                   |                         |                |                     |
| Web development, office move and Women's Work                                | 140,860            | -                 | (62,831)                | -              | <b>78,029</b>       |
| <b>Total unrestricted funds</b>  | <b>605,458</b>     | <b>418,358</b>    | <b>(505,435)</b>        | <b>(8,348)</b> | <b>510,034</b>      |
| <b>Total funds</b>   | <b>658,521</b>     | <b>1,460,226</b>  | <b>(1,565,855)</b>      | <b>-</b>       | <b>552,893</b>      |

## Purposes of restricted funds

### Arts Alliance

Clinks is working with a range of different organisations to improve policies and practice in relation to arts-based work with people in the criminal justice system and their families. This includes developing the National Criminal Justice Arts Alliance as the main national network for arts organisations that work in the criminal justice system.

### Lloyds Bank Foundation for England & Wales

Aims to develop an influential sector voice and leadership with vision for the voluntary sector working in criminal justice, in particular small and specialist organisations by building on our existing strong relationships with key stakeholders, at both national and regional levels, in order to increase engagement and influence.

### City Bridge Trust and Greater London Authority Civil Society Roots Fund

Funding for London Development Officer to: develop expertise on the voluntary sector working in criminal justice in London, its strengths and weaknesses and its challenges and opportunities; provide a range of support to the sector, including a comprehensive programme of information; ensure the London sector's voice is heard and its important work is recognised, at both national and regional levels; support partnerships within and between sectors.

### Ministry of Justice – Women's Capacity Building

Funded by the MoJ, Clinks will deliver a programme of training and support to voluntary organisations that offer specialist services to vulnerable women. The programme will focus on capacity building and sustainable development, providing a range of interventions alongside a legacy of resources and toolkits that can be used to support continued development.

### Women's Network

On the dissolution of Women's Breakout, the balance of assets was transferred to Clinks. Clinks has committed to continue its work on women in the criminal justice system committing £100,000 (2 x £50,000 over the 2019/20 and 2020/21 years respectively) to grow support for the women's sector.

### Department of Health and Social Care – VCSE Health and Wellbeing Alliance

Clinks is a member of the VCSE Health and Wellbeing Alliance, a partnership between the Department of Health, NHS England and Public Health England and 21 national voluntary sector organisations and consortia. The HW Alliance aims to bring the voice of the voluntary sector and people with lived experience into national policy making, to promote equality and reduce health inequalities. Clinks works with Nacro to raise awareness of the health needs of people in the criminal justice system and the vital role the voluntary sector can play in addressing them.

## MEAM – Local Development/ MEAM – Policy

### Local Development

The MEAM approach was developed to provide a non-prescriptive framework for areas to develop a coordinated and flexible approach to supporting adults with multiple and complex needs. At present there are 11 areas across the country developing the MEAM approach and Clinks provides local development support to two of these. The MEAM Coalition also provides support to the 12 Big Lottery Fulfilling Lives areas.

### Policy

Clinks contributes to the Making Every Adult Matter embedded policy team across the MEAM coalition partners to influence government policy and amplify the voice of people with multiple and complex needs.

## Barrow Cadbury Trust – Policy

To support Clinks' senior level policy and political influencing.

## Ministry of Justice – Infrastructure Fund

A strategic grant from the Criminal Justice Group to deliver outcomes in relation to representation and voice, communication and partnership working.

## 19. Analysis of cash and cash equivalents

|  | at 1 April 2020 | Cash flows    | at 31 March 2021 |
|--|-----------------|---------------|------------------|
|  | £               | £             | £                |
| Cash at bank and in hand                 | 330,068         | 13,303        | <b>343,371</b>   |
| Notice deposits (less than three months) | 297,903         | -             | <b>297,903</b>   |
| <b>Total cash and cash equivalents</b>   | <b>627,971</b>  | <b>13,303</b> | <b>641,274</b>   |

## 20. Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods.

|                    | Property<br>2021<br>£ | Property<br>2020<br>£ |
|--------------------|-----------------------|-----------------------|
| Less than one year | <b>67,000</b>         | 67,000                |
| One to five years  | <b>268,000</b>        | 335,000               |
| Over five years    | -                     | -                     |
|                    | <b>335,000</b>        | 402,000               |

## Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.