

Registered number: 04399340
Charity number: 1120755

CXK LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

CXK LIMITED
(A Company Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees

Dick Fedorcio OBE, Chair
Pauline Smith, Chief Executive
Jo Boraston (appointed 11 March 2021)
Graham Briscoe (resigned 16 September 2021)
Domini Bucknell (appointed 11 March 2021)
Graeme Dykes
Kelly Freeman
Dominic Hilleard
Christian Robinson
Robert Rose
Sonette Schwartz
William Vernon
Charlotte Walshe
Barry Wilding (resigned 11 March 2021)
David Yates

Company registered number 04399340

Charity registered number 1120755

Company Secretary Anthony Crocker

Independent auditor Crowe U.K. LLP
Riverside House
40 - 46 High Street
Maidstone
Kent
ME14 1JH

Bankers Barclays Bank Plc
Forbury Road
Reading
RG1 1AX

Solicitors Blandy and Blandy
Friar House
Reading
RG1 1DA

Insurance Broker A J Gallagher
The Walbrook Building
25 Walbrook
London
EC4N 8AW

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Investment Advisors	Sarasin & Partners LLP Juxon House 100 St. Paul's Churchyard London EC4M 8BU
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CXK LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the Charity for the year to 31 March 2021.

The Trustees confirm that the Annual Report and Financial Statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 2 (effective 1 January 2019).

EXECUTIVE SUMMARY

The last year has been an exceptional one for CXK in so many ways. The pandemic has created a totally new landscape to work within, one where we had to work hard and diligently to maintain service delivery and outcomes to our beneficiaries, whilst tackling and addressing the impact and turbulent, uncharted waters of COVID 19.

COVID 19 and subsequent lockdowns had a dramatic impact upon disadvantaged, vulnerable individuals and communities across our geographical areas. Demand for our services increased as many of the challenges faced by our beneficiaries became multifaceted with the shock and impact of the pandemic.

Swift determined decision making was instrumental in the necessity to re mobilise our entire workforce and central support functions. Key priority was the health, safety and wellbeing of all staff and beneficiaries, as we immediately reviewed the viability and continuation of all front line services.

Our Business Continuity Plan became the framework in which we initiated all vital and critical activity to manage all emerging themes and areas of concern or challenge as they arose. Within less than one week all staff were working from home with all IT and digital requirements in place to shift from face to face delivery of services to new, innovative virtual delivery platforms to support all our beneficiaries.

Instability and uncertainty regarding funding models and challenges of income generation, compounded by political uncertainty at national and local government level, were further impacted because of coronavirus. The financial impact of COVID 19 was unclear and immediate negotiations commenced with all funders to ensure that income streams were validated and reviewed where possible.

With the majority of CXK's funding paid on a 'payment by results' basis, our financial sustainability was a primary concern and financial forecasting took precedence as we battled to deliver services, unsure of whether they would be paid for.

Refined and readjusted delivery models and key performance indicators were agreed, with contract variations put in place across all areas of service delivery. Huge progress was made as we refined and readjusted delivery models and revised key performance indicators with all funders and commissioners.

A detailed schedule of comprehensive, timely communication was critical in ensuring the outcomes and impact of all high level decisions with the Executive team and Trustee Board were shared and cascaded to all beneficiaries, staff, stakeholders. Meticulous communication protocols were implemented, ensuring openness and honesty always. Written communication and video updates from the CEO provided essential mechanisms for quick, effective, and transparent communication.

One of our greatest achievements in the midst of the pandemic was the acquisition of another Kent based charity.

CXK had commenced merger discussions with the Medway Youth Trust (who had a similar heritage and charitable objects) in 2019. Prudent considerations by the Board and Leadership team led to the agreement to pursue the merger and many months of negotiations, review and due diligence followed.

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Within the charity sector it is always important to look at economies of scale, opportunities to strengthen and support beneficiaries and to collaborate with organisations with similar missions to deliver a joined-up approach that will benefit the individuals we work with.

CXK were confident that the merger would provide a stronger, improved service for beneficiaries across Kent, and Medway and East Sussex and even with the onslaught of COVID-19 we were committed and focused in passionate about driving ahead to navigate and conclude the merger, however challenging.

We are incredibly proud that the successful conclusion of the merger in July 2020 enabled CXK to strengthen its commitment and vision of delivering transformational services to young people and adults – at a time when, more than ever, so many beneficiaries were reaching out for support. The merger prevented the loss of valuable Kent and East Sussex based services serving a wide range of beneficiaries and secured and protected the employment of a large team of over 30 highly skilled staff.

Challenges faced by our beneficiaries remained complex and multi-faceted and CXK continued to strive positively to increase and strengthen collaborative partnerships that tackle the barriers of disadvantage that so many individuals still face.

Building strong and effective partnerships with key influencers and policy makers helped CXK foster the needs and voice of beneficiaries, ensuring that the requirements of individuals and communities remained high on the political agenda. CXK were invited to join several newly established regional Boards to explore and review the impact of COVID-19 on skills, education, and employment across communities.

Although the impact of COVID-19 was shocking and challenging it proved to be a hugely positive and developmental period for the Charity. It is at times of challenge and adversity that the true strengths of individuals and an organisation are recognised. CXK managed the impact of COVID-19 with determination, professionalism and commitment to its staff, beneficiaries, and stakeholders. The organisation mantra of “One Team, One Organisation, Changing Lives” has never been more evident than in this last year.

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STRATEGIC PURPOSE, OBJECTIVES AND ACTIVITIES

Following an extensive review and consultation with staff, trustees, beneficiaries, and stakeholders, CXK published its 2019-2024 strategic plan. The 5 year strategic plan reflects the direction, focus, impact and outcome of CXK's work, providing a tangible reference for all CXK staff, beneficiaries and stakeholders.

The CXK strategy with its 6 overarching priorities navigate the direction of travel for our Charity and are used as a golden thread for individuals and teams to identify and highlight annual business objectives and priorities. The annual business plan objectives are then applied as a template for all staff and team appraisals, ensuring that the whole Charity is focused on working towards and contributing to our overarching strategy.

The Articles of Association provide an overview of the key purpose, objectives and activities delivered by CXK -

Advance in life those who are in need by reason of their youth, age, ill-health, disability, financial hardship or other disadvantage, in particular but not limited to young people, who are situated anywhere within England by developing their skills, education, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals, through the provision of a service which:

- Raises their aspirations, participation and achievement;
- Provides impartial information, advice, guidance and opportunities for their personal development;
- Refers and introduces them to learning and employment opportunities;
- Provides and supports the provision of learning programmes supporting their personal and educational development, and prepares them for life choices and circumstances; and
- Provides those outside learning, or otherwise at risk of underachieving, with the support they need to maximise their potential.

Mission

Inspiring people to thrive.

Vision

Everyone has access to what they need to maximise their potential. Through support and guidance CXK empowers individuals and strengthens communities.

Values

CXK is passionate, efficient, transparent and displays integrity, resilience and innovation.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

(continued)

Strategic objectives and priorities

The overarching focus of the Charity's strategy is encapsulated through the following six priority objectives ;-

1. **BRAND** - Invigorate and improve the awareness and understanding of the CXK charitable brand and impact, securing greater engagement of beneficiaries, wider stakeholders and communities.
2. **FOCUS** - Positively reflect and prioritise the needs and aspirations of individuals and communities in the development, range and scope of all CXK service provision and activities.
3. **FINANCE** - Secure financial sustainability with emphasis on retention of current contracts, developing new, and preserving cost effectiveness and rigour across all funding and income streams.
4. **QUALITY** - Continue to enhance and strengthen the delivery of high quality services, increasing performance outcomes and impact, working positively to build and nurture an environment of continuous improvement.
5. **PEOPLE** - Build on and develop the strengths and diversity of our Trustees, workforce and volunteers - promoting a stronger sense of collective purpose, culture and social action.
6. **PARTNERHIPS** - Enhance the effectiveness, breadth and success of trusting partnerships and relationships to achieve flexible solutions, innovative outcomes and focused results for the needs of targeted individuals and communities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

(continued)

Activities and areas of delivery and engagement

CXK has identified three core pillars of delivery and activity:

- Information, Advice and Guidance
- Targeted Support
- Training and Development

With a strong commitment to providing support to ensure that individuals can access the provision of skills, education or employment, it was necessary that CXK developed a range of different approaches and specialisms to reach out and engage a diverse number of beneficiaries.

The last year proved challenging as we worked tirelessly to ensure that all provision was reviewed, adapted and delivered in new and innovative ways to manage beneficiary engagement throughout the pandemic, It was hugely important that the Charity remained focused on delivering its vital services to all of its beneficiaries and this required careful and detailed analysis and review of each area of service provision.

New operational delivery models alongside a focus on financial sustainability were key drivers that formed the integral framework required to make informed, swift and decisive decisions across all areas of delivery. The Charity worked diligently to ensure that each delivery team were consulted and fully engaged in the revised plans required to reach out and engage with all beneficiaries.

Virtual and remote service delivery became the new normal as CXK adapted to the challenge of reaching out to beneficiaries in new and innovative ways. All services had been delivered face to face prior to Covid-19 so the enormity of the change required in changing delivery methods was huge.

The last year created the space for careful and considered review of all areas of delivery. This resulted in new hybrid delivery models across some services, continuation of face-to-face work across custodial settings and cessation of some areas of support and engagement. The needs and impact of COVID-19 on individual beneficiaries and communities created the need for re-design, re focus and innovation across the Charity.

The full range of provision CXK delivered throughout the year included:

- The National Careers Service (contract commenced October 2018) delivers targeted Information Advice and Guidance (IAG) to adults across the Southeast. Specific priority groups are supported within this contract including, low skilled adults without a level 2 qualification; 18-24 year olds Not in Education, Employment or Training (NEET); Jobcentre Plus (JCP) customers 18 plus; adults with learning disabilities and/or disabilities; single parents with one or more dependents at home; adults over 50 facing redundancy or newly redundant.
- A participation contract for 16-24 year olds in Kent who are at risk of becoming or are Not in Education, Employment or Training (NEET).
- A participation contract for 16-24 year olds in East Sussex who are at risk of becoming or are Not in Education, Employment or Training (NEET).
- Delivery of IAG services and support to inmates in 10 custodial settings across the South East.
- Careers Education, Information, Advice and Guidance (CEIAG) services to secondary school pupils throughout Kent, Medway and East Sussex, to help them with their next steps in education or employment.

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(continued)

- Emotional Wellbeing services to support primary and secondary school pupils throughout Kent
- The Government's Apprenticeship Support and Knowledge (ASK) contract providing targeted support and guidance to young people, teachers, parents and schools in the development and engagement of apprenticeships.
- Cookham Wood Young Offender Institute – the delivery of an engagement programme for young boys 15-18yrs in custody alongside the delivery of a supportive visitors' centre provision.
- A new CXK Base Camp programme focused on a targeted support and mentoring intervention for 16-25 year old vulnerable and disengaged young people.
- Approval for CXK to become a Government Gateway for the national Kickstart scheme offering support to employers and young people in six-month work placement opportunities.

The Trustee Board, Executive Team, Senior Leadership and staff across the Charity worked so swiftly to ensure that beneficiaries were not disadvantaged or impacted too negatively by COVID-19 and the new models of engagement and delivery were instrumental in success across all service areas.

The intensity and commitment placed on moving from face-to-face delivery to widespread virtual and remote services was outstanding. The dedication and perseverance of staff in adapting all resources and approaches to digital platforms was exemplary.

The funding mechanisms for each service required equally radical and diligent approaches to ensure that all income streams were reviewed and adapted in line of the different delivery models and approaches in place.

A huge amount of time, reflection and analysis was placed on high level negotiation and deliberation with all commissioners to agree and confirm realigned payment methodologies and reporting mechanisms where appropriate.

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(continued)

ACHIEVEMENTS AND PERFORMANCE

The Trustees and executive team examine a wide range of measures to assess the Charity's success in achieving its charitable objectives. All aims and goals derive from these alongside focused key performance indicators established by funders and stakeholders. A comprehensive dashboard of performance, achievement and quality is our key tool used to evaluate success, impact and address aspects of challenge or concern across all areas of provision. Specific measures include:

- The number of people engaged and the quality of their experience and employment, learning or training outcomes for adults involved in the National Careers Service. Customer satisfaction, Customer Management and Job or Learning outcomes are key contract deliverables.
- Level of reduction in the number of 16–18-year-olds who are Not in Education, Employment or Training (NEET). Also level of positive engagement, outcome and progression with those supported.
- Outcomes of the preventative work with pre-16-year-olds and work with vulnerable young people, including Learners with Learning Difficulties or Disabilities (LLDD), Looked after Children (LAC) Special educational needs and disability (SEND) and young offenders.
- Rigorous performance indicators within each specific contract specification.
- Evidence, research, and evaluation gained from the delivery of services and provision.
- Total income obtained from funding sources.
- Employee engagement and satisfaction.
- Customer/beneficiary/stakeholder satisfaction.
- Ofsted inspection outcomes.
- Maintenance of any external accreditations (for example, Merlin Standard and the Matrix Standard).
- Staff survey and team analysis.

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ACHIEVEMENTS AND PERFORMANCE (continued)

Specific achievements

The most overwhelming achievement this last year has been the ability to not only maintain service delivery through a global pandemic, but to achieve such a breadth of innovation, creativity, and impact to beneficiaries and stakeholders. The diligence and hard work led to such positive achievements for staff, beneficiaries and the financial outturn of the Charity.

The acquisition of the Medway Youth Trust was also a very positive and successful achievement – even more so because the decision to conclude the merger was managed right in the midst of COVID-19. Months and months of deliberations and due diligence activity led to the successful completion of the merger in July 2020 and CXK welcomed over 30 staff to the Charity delivering a range of provision in Medway and East Sussex.

A robust and detailed implementation plan which reflected all associated tasks, objectives, including operational delivery, HR processes, IT and infrastructure, was developed and rigorously managed. The transition for staff and services was so successful that the implementation plan targets were completed 6 months ahead of target. CXK are delighted and proud of the success of the merger and the addition of such positive staff and services within our CXK family.

This year, CXK directly empowered, supported, and engaged with more than 245,000 individuals across all services. The Charity has been instrumental in helping many more indirectly through wider engagement with communities and other stakeholders outside of direct service delivery. COVID-19 and subsequent lockdowns and restrictions definitely had a negative impact on the number of beneficiaries accessing services. Green shoots are appearing as the Charity is now starting to see greater engagement and referral numbers.

Concerted effort and priority has been placed on the need to identify and measure the impact of the range of new virtual engagement and provision of services. The CXK Impact framework toolkit continued to be embedded across all areas of service delivery. The impact framework enables all beneficiaries to assess and evaluate the impact of engagement in CXK programmes and services. The impact and quality outcomes of all services are shared internally through governance and management structures but also externally through the wide range of social, print and broadcast media platforms.

Communication and engagement with Trustees, staff and stakeholders was crucial over the last year. CXK proved successful in ensuring that it provided a comprehensive range of prompt, clear, timely and effective, communication strategies which proved essential to the success in navigating positively through the pandemic. CXK's successful year did not go unnoticed from external awarding bodies and the Charity is delighted to have been selected for the following :-

- Careers England - Winner of the National Careers Adviser of the year achieved by the Senior Careers Manager
- National Businesswoman's awards - Finalist for Lockdown Leader of the Year award for CXK's Chief Executive
- Kent Charity of the Year – CXK is a Finalist in the large Charity category.

This external recognition and acknowledgment is an exceptional achievement for the Charity in a year when it worked so tirelessly to maintain services and deliver Charity objectives.

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TRUSTEES' REPORT (CONTINUED)
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ACHIEVEMENTS AND PERFORMANCE (continued)

Growing Influence

CXK works closely with local authorities and other agencies supporting the commissioning strategies of the Southeast Local Enterprise Partnership (SELEP). These include Kent County Council, Medway Unitary, East Sussex County Council, Skills Funding Agency, Education Funding Agency, other local authorities, the Clinical Commissioning Groups (CCG's) and Public Health England. The Charity also has close links with voluntary and community bodies both through subcontracted services and more informal partnerships.

The Chief Executive is a member of the Association of Chief Executives of Voluntary Organisations (ACEVO), Kent Association of Training Organisations (KATO) committee, the Kent CEO forum, Local Authority Skills Boards, the skills board for SELEP, and plays a crucial role in influencing regional and national policy and the shape, breadth and quality of the roll out of local provision across the Southeast.

As a result of COVID-19 many new regional and national strategic boards were established to review and explore the short, medium and long-term impact of the pandemic on individuals and communities. CXK's CEO was invited to join - The Kent and Medway Employment Task Force, The East Sussex Covid recovery Board, the Kent 16-19 Review Board and the Ministerial roundtable event with MP Gillian Keegan, Minister for Apprenticeships and Skills.

CXK's representation for itself and the wider charity sector is true testament of the expertise it holds across the voluntary sector and its ability to pursue, challenge and celebrate the role of the voluntary sector in national, regional and local, pandemic recovery plans.

CXK is a board member of Careers England, the national association for organisations involved in careers guidance. The Charity continues to work closely with key stakeholders and government departments for Education, Skills and the Economy, supporting and contributing to ongoing review and strategy development into careers education, information, advice and guidance. Local MPs are lobbied regarding the figures for those Not in Education, Employment or Training (NEET) and the emotional wellbeing of young people. Links with the Southeast Local Enterprise Partnership (SELEP) and the regional Skills Boards, have allowed CXK to shape the local debate concerning the guidance and support that young people receive.

Senior managers sit on a wide range of county-wide and regional planning and implementation groups across the Southeast. The senior leadership team are members of many key partnerships and boards including the Care Leaver Progression Partnership, the digital skills network, and the children and young people panel.

The Chief Executive has established close working relationships with key Members of Parliament and local councillors across CXKs delivery regions to champion the needs, issues and concerns that relate to beneficiaries or developing Government policy.

Championing and promoting the impact and success of the breadth of CXK provision remains a key strategic priority. Over the last year impressive strides were made to increase the engagement and support of local, regional and national media. A suite of performance indicators drove an increased reach in social media, website data analytics, press coverage, targeted blogs and news items which all contributed positively to raising the profile of the Charity.

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ACHIEVEMENTS AND PERFORMANCE (continued)

The People and Personnel

Behind the quantitative and qualitative statistics lie many stories of beneficiaries and their families and how CXK made a difference to their lives. This would not be possible without the tremendous hard work of dedicated staff teams who are "inspiring others to thrive". The staff's flexibility and commitment to the Charity has been outstanding in this last year which has seen so much change.

People are key at every level, enabling the Charity to have a positive impact through the delivery of its services. Some 80% of staff are directly involved in delivering services to beneficiaries, with the remaining 20% providing essential support, comprising of management, administration, finance, IT, marketing, and HR services.

Focus has been prioritised in the last year to ensure staff felt supported and empowered both professionally and personally as CXK faced the challenges and impact of the pandemic. CXK already had an extensive support system for staff which offered access to a range of complimentary services to assist wellbeing and mental health. These services were promoted extensively as the impact of lockdown, new working arrangements, health and safety, and wider COVID-19 concerns were more widely understood and considered.

CXK has 6 fully trained mental health first aiders who provide additional support to staff's line managers. The availability of a 24/7 hour Employee Assistance Programme provides extensive support and offers a wide range of on-line and face to face assistance to staff, including support for mental health, bereavement, grief, family and relationships, financial and other personal or family matters.

The breadth of emotional wellbeing and mental health support offered by CXK is well utilised and appreciated by staff across the Charity with 93% of staff stating they felt CXK were considerate or very considerate of their wellbeing in the 2021 staff survey.

The annual staff survey received an excellent 86% completion rate, and the findings and outcomes of the survey are being shared and disseminated across the Charity through roadshows delivered by the CEO. Significant work has been undertaken to focus on staff feedback and a new HR roadmap with key objectives and performance indicators now implemented.

In addition to the annual themed questions the survey this year included a dedicated section relating to the impact of COVID-19 on staffs wellbeing, job role, work/life balance, and hopes and concerns for future working regimes.

The new HR self-service system introduced in June 2020, allows greater oversight and monitoring for individuals and managers and provides robust reporting mechanisms for senior management and Trustee Board review and analysis.

Trustees wish to pay tribute to all CXK staff and volunteers for delivering services so effectively and especially for the dedication and professionalism displayed in their response to another year of extraordinary challenge, change and development. The dedication, determination, and flexibility of staff to make a positive difference to other people's lives with such vigour, energy, innovation and passion has been outstanding.

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TRUSTEES' REPORT (CONTINUED)
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ACHIEVEMENTS AND PERFORMANCE (continued)

Partnerships

Creating and nurturing meaningful partnerships and relationships remained a key priority for the Charity and is a specific emphasis in our five-year strategic plan. Great rewards were achieved and recognised through extensive partnership working. CXK place great importance on the social action, wider impact, and resilience of their work in strengthening communities and they successfully nurture the broader and effective buy-in from a range of local partners and supporters.

Significant success in the last year was achieved through CXK's additional engagement with strategic partners to discuss, explore and tackle the wider societal impact of COVID-19. CXK have earned a reputation of being the "go to" Charity across Kent, Medway, and East Sussex particularly to provide input and feedback on issues relating to education, skills, employment and socio/economic challenges for the disengaged or disadvantaged.

The challenges faced by beneficiaries, remain complex and multi-faceted and CXK strive confidently to continue to increase and strengthen key partnerships across communities to tackle the barriers of disadvantage that so many individuals still face.

Building strong and effective partnerships with key influencers and policy makers supports CXK in fostering the needs and the voice of beneficiaries and ensuring the needs of individuals and communities remains high on the political agenda. Significant improvements have been made in the last year at increasing the awareness of the CXK brand and the impact of the charity's work, specifically with the effective continuation and dedication to service delivery during lockdowns, the merger of Medway Youth Trust, and strong engagement of local and central government politicians.

The challenges of COVID-19 have created instability and volatility across the voluntary, public and private sector and many established partners have faced crisis decisions of their own to manage. Relationships and partnerships with new and current stakeholders will prove crucial in CXK's navigation of the months ahead and long-term development and growth in managing the long-term impact of the pandemic.

In addition to strategic partners, stakeholders, commissioners and political or sector-based partnerships, CXK has a very strong and vibrant network of sub-contractors who it manages and works with to deliver aspects of the wide portfolio of services.

CXK monitors and manages compliance with all standards and accreditations, across all contracts, projects, and activities, undertaking regular quality audits, self-assessments and actively monitoring its network of subcontractors and partners as rigorously as they monitor their own CXK delivery.

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TRUSTEES' REPORT (CONTINUED)
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ACHIEVEMENTS AND PERFORMANCE (continued)

Quality and Impact

As one of the six CXK strategic priorities the quality and impact of the work of the Charity remains enormously important. Committed, through all that it does, ensuring that the quality of its service delivery and impact is of the highest possible standard, the Charity continues to receive positive feedback from all its beneficiaries and stakeholders.

Quality is a “golden thread” running through the charity where processes to review and evaluate quality and impact are entrenched at all levels of the organisation. Line management, peer meetings, management forums, senior leadership team analysis and Trustee Board committees are all key elements of the robust quality framework.

Additional focus in the last year to review quality measurements for the new virtual delivery of services has been paramount to ensure that beneficiaries were not negatively impacted by not seeing CXK staff in face-to-face settings.

In addition to robust Quality assurance measurements that are reported and assessed on the CXK operational scorecard, CXK has embedded the complimentary “CXK impact toolkit”. The impact measurement framework enables and empowers all beneficiaries to express their progress against key indicators:-

- Readiness to thrive
- Economic inclusion
- Social inclusion
- Health and wellbeing

CXK commits to delivering all its activities to very high standards and invests in a broad range of quality management standards and accreditations as follows:

CXK currently hold the following:

- Matrix Accreditation
- Merlin Standard - outstanding
- Ofsted - two level 2 'Good' ratings
- Disability Confident Committed
- Cyber Essentials Plus

Policies and Processes

CXK have an extensive portfolio of policies and procedures to ensure they comply with relevant legislation and that they operate in line with national and international best-practice. This safeguards beneficiaries, staff and partners and provides them with access to the right support at the right time, delivered in a way that meets their needs.

A document register is monitored and evaluated with key timelines identified for document review and evaluation. Policies are endorsed for either management or trustee review and formal sign off.

All policies are stored in an online portal accessible by all staff and all sub-contractors are obliged to adhere to all CXK policies and principles.

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ACHIEVEMENTS AND PERFORMANCE (continued)

Performance Management

Each CXK project/contract is delivered in line with a business/delivery plan, which is developed collaboratively during the preparation of a funding proposal/tender response. Each plan includes:

- Milestones
- Leads/Responsibilities
- Key Tasks
- Timelines
- Risks
- Performance Review and Evaluation

Plans are reviewed monthly and are used to manage a project's progress, to address poor performance, to manage risk and to ensure targets are met or in most cases exceeded.

Financial review

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Reserves policy

At 31st March 2021, the Charity had "free reserves" (i.e. the total of unrestricted income funds not invested in tangible fixed assets) of £5,502,109 with an operating cost base of £7,152,235 (31st March 2020: £4,408,940 against operating costs of £6,904,511). Restricted reserves are £nil (2020: £670). Taking into account the nature and volume of the Charity's income streams and the patterns of expenditure in meeting the Charity's objects, the Trustees regularly undertake a risk assessment of the probability and likely impact on service delivery that might be caused by a decline in income, an inability to meet financial obligations, or an inability to reduce expenditure in the immediate short-term. This approach ensures a balance between spending the maximum amount of income raised as soon as possible after receipt, while maintaining the minimum level of reserves to ensure uninterrupted operation. The target range is reviewed annually as part of the budget approval process by the Trustees to reassess the risks and reflect changes in CXK's income, financial obligations and expenditure and also as part of the risk review process.

It has been deemed that the level of free reserves being held is sufficient and appropriate for CXK. This level is set aside to account for fluctuations in funding levels, payment in arrears contracts and to account for potential redundancy costs on contracts that end. This is especially important given the current uncertainty due to Covid-19 and the expected increase in demand on CXK's services. Free reserves are the total of unrestricted funds not invested in tangible fixed assets. Based on this approach, CXK is happy the level of reserves is sufficient, with 9.2 months of operating costs (2019: 7.7 months) set aside.

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Investments policy

Under the rules of the Charity's governing document, the Trustees have wide ranging powers to invest the funds of the Charity as they see fit within the scope of the laws and regulations applying in the United Kingdom.

The objectives for these investments are to achieve a balanced return from income and capital growth whilst accepting a moderate degree of risk and maintain the real value of capital in order to achieve and potentially facilitate periodic capital withdrawal. In approving investments, the Trustee Board follows an ethical policy, which examines good employment practices, good environmental practices and a commitment to corporate and social responsibility.

The Charity has investments of £1,927,530 (2020: £1,613,554) of its reserves in shares or equities with Sarasin and Partners LLP. The policy on investments is reviewed regularly under the governance of the Finance and Resources Committee.

Any investment returns made on the portfolio are used to purchase further shares and equities

Approach to fundraising

CXK's income is primarily received from successful commissioned services or grants. There is very limited income received through fundraising and any funding received adds value to the commissioned services it already delivers, 100% of the monies raised is used to support beneficiaries who need it most.

Fundraising income remains low, as the Charity does not specifically target resources for this source of funding. This is under continuous review as such funding will complement alternative approaches to service provision. This year, the Charity raised £4,000 (2020: £11) towards improving its beneficiaries' life-chances. No fundraising complaints (2020: none) were received during the year.

CXK's Growth and Development Plan outlines the key principles and approaches to be explored and reviewed as part of the Charity's expansion of income growth and diversification.

Professional indemnity insurance

The Charity has taken out a combined commercial insurance policy that provides an element of professional indemnity cover for the Trustees amounting to £1 million in respect of any one claim.

CXK LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Management of Risk

The Board is committed to ensuring the long term health and sustainability of CXK through an effective risk management framework. This is designed to identify and mitigate key risks that could affect the ability to deliver strategic objectives and achieve the Charity's charitable aims.

The management of risk is embedded in day to day business activities and is well supported by established processes and policies. The management of most risks is delegated to the Chief Executive and the Senior Leadership Team. A Business Critical Risk Register is updated monthly by the executive team, reviewed and scrutinised by the Audit and Governance Committee and updated reports are given to the respective committees and Trustee Board at each meeting. All major risks are reviewed, and systems and procedures are in place to manage and mitigate risks.

The principal risks currently identified include:

- A significant contract, or multiple contracts, become unprofitable and unsustainable.
- Loss of a major income source.
- Competition for new contracts results in loss of income through new re-tendered business.
- Major incident relating to the safeguarding, or the wellbeing of staff or beneficiaries.
- Failure in the management of a significant governance responsibility e.g Health and Safety, GDPR
- The impact of Coronavirus and the recovery post COVID-19

The risk management process for the Charity was reviewed during the financial year by the Audit and Governance Committee and improvements made to risk reporting. Each Committee of the Board has a responsibility to review all relevant risks for their area of the business and amend risk level appropriately.

CXK continued to make good progress on improving its risk management across the five major risk categories of Compliance, External and Environmental Factors, Financial, Governance and Operational. The Charity has continued to refine and report on the major risks that it faces in delivering its services. In particular, it continues to strengthen its procedures regarding significant risks with a new detailed analysis which focuses on the mitigation activities for the most significant risks.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

PUBLIC BENEFIT

The Trustees have taken The Charity Commission's specific guidance on public benefit (contained within the guidance publication "The Advancement of Education for Public Benefit") into consideration in preparing their statements on public benefit contained within this Trustees' Annual Report.

Benefits & Beneficiaries

In accordance with its charitable objects, the Charity strives to advance in life those who are in need by reason of their youth, age, ill-health, disability, financial hardship, or other disadvantage in particular, but not limited to, young people. The benefits offered by the Charity are the services that it delivers to advise and guide all individuals so that they have a positive and enjoyable life. Inspiring individuals to thrive and maximising their potential across their communities remains CXK's key priority and focus.

This financial year the Charity worked with over 245,000 young people and adults through CXK's direct delivery and from the work of its sub-contractors and partners. COVID-19 with its challenges, resulted in atypical numbers of individual engagement across each service. Generally there was a 35% reduction in total number of individuals engaged with, however some services showed a slight increase in engagement.

Analysis of each area of delivery highlights the number of beneficiaries who received direct support:-

- National Careers Service supported 26,789 individuals across the southeast region
- Prison Information Advice and Guidance supported more than 1,050 individuals across 10 prisons
- Apprenticeship Support and Knowledge (ASK) service supported 179,893 students, 22,867 parents, 6,036 teachers, 1,616 stakeholders and working with 1,058 schools across the south region
- NEET service supported 3,559 young people with additional work experience and progression support provided to 720 young people.
- School Careers and Emotional Well-being services were delivered to more than 70 schools and supported more than 3,500 young people.
- Cookham Wood Young Offender Institute supported more than 160 young people and family members
- Base Camp and Kickstart mentoring and employability support initiatives supported over 50 young people aged 16-25 years

Trustees' Assessment of Public Benefit

The Trustees utilise the range of measures of performance detailed (see page 9) to determine the Charity's success and to demonstrate that it continues to advance in life individuals for the public benefit. All aspects of CXK's programme delivery is targeted at addressing a local social need or a Central Government initiative / priority.

There is great satisfaction and appreciation of the Charity's performance, which has seen its key performance objectives met every year. The Charity has achieved regional and national acclaim for its engagement projects for vulnerable and disadvantaged individuals and its leading stance on Careers Education, Information, Advice and Guidance (CEIAG).

CXK has received high acclaim from national, regional stakeholders, local authorities, and stakeholders across communities for the focused, determined, and successful methodologies implemented as a result of the pandemic. It has not gone unnoticed that CXK worked tirelessly to ensure that all services were maintained and support to beneficiaries continued at a time when the landscape of employment and education remained turbulent and fractured.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

The wide range of CXK programme delivery enables the Charity to work at the heart of communities by empowering young people and adults to maximise their potential, increasing their own skills, knowledge and confidence, instilling a positive approach to contributing effectively to their local communities. Partners are selected on their ability to bring additional value, specialisms, and expertise to the delivery of innovative programmes ensuring full reach and accessibility to outlying communities and beneficiaries with additional or complex needs.

The Charity's specific focus on reducing duplication, maximising opportunities, and commitment to collaborate more with partners to enhance high quality provision and engagement remains a key strength and positions CXK as a well-respected Charity within the sector. CXK's Achievements have been endorsed externally by being nominated as a finalist in the Kent Charity of the year award for 2020/21 – testament for all the hard work of staff, partners, the leadership team, and the Trustee Board.

PLANS FOR FUTURE PERIODS

The Charity's aim of making a positive difference to the lives of those who are in need by reason of their youth, age, ill-health, disability, financial hardship, or other disadvantage will remain the driving force in the year ahead. Sadly, we are fully aware that the need for innovative and engaging services are needed now more than ever as growing numbers of individuals have been negatively impacted from COVID-19.

CXK will be aligning itself closely to the political and strategic policy drivers that will form a key element to the recovery of the pandemic across our communities. CXK is well positioned to drive forward change and innovation to tackle the increasing challenges for access to education and employment for so many disengaged and disenchanted individuals.

Strategic objectives shape the direction and priorities of the Charity to embrace continual development, growth, and financial sustainability. The landscape will undoubtedly remain turbulent and unpredictable and CXK's efforts will be focused on prioritising the right decisions, both operationally and strategically, to ensure CXK remains in a strong and confident position within the Third Sector.

The next year will require re-tendering for a number of CXK's key delivery contracts and huge effort and determination will be displayed to successfully showcase CXK's achievements to date. The Charity's huge experience and ability to continue driving change and positive outcomes for so many young people and adults engaged in its programme areas will prove invaluable in the commitment and perseverance in continuing this vital work.

The dramatic impact of COVID-19 will undoubtedly have significant repercussions for CXK. Careful and well considered recovery plans will be essential to maintain continuity of service delivery and maintain financial sustainability in areas of challenge, particularly payment by results contracts.

Significant resource and focus will be required to ensure that staff, beneficiaries, Trustees and stakeholders are supported in an ongoing world impacted by COVID-19. We have already commenced detailed reviews for each area of CXK's infrastructure to ensure staff and beneficiaries are fully informed, engaged and consulted in the changes and new approaches we will need to apply for all aspects of the Charity's day to day business activities.

We will build on the success and innovation of the last year – huge achievements have been made through the inventive demonstration of new processes, delivery models and engagement with our beneficiaries, and stakeholders. The positive outcomes will be developed further, and the year ahead will be one of ambition and growth as we progress enthusiastically towards the future.

Health and Safety alongside individual and team wellbeing will be at the heart of decision making in the journey required to introduce the new norms in working practices and delivery of services. Detailed analysis of the staff survey and feedback on working practices will support next steps and business decisions.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

The needs of beneficiaries remain complex and challenging. Innovation and flexibility in the delivery of services will be critically important to ensure that CXK respond swiftly and effectively to the needs of individuals and commissioners. So many positive outcomes have been achieved through virtual delivery of services and the advantages and learning outcomes achieved will help shape the hybrid model of approaches required to move forward.

COVID-19 has forced our Charity and many others, to totally review and reflect on new ways of working and it is CXK's promise to staff, beneficiaries and stakeholders that it will maintain the innovation that has worked well and use the knowledge to design and develop ground-breaking services for the future.

Key priorities for the year ahead include:

- An 18-month annual business plan reflecting the CXK 6 strategic objectives.
- A COVID-19 recovery plan that encapsulates staff and partner hybrid working arrangements, new funding models, innovative delivery across each service.
- Successful retendering of a number of significant contracts
- Increasing and broadening sustainable funding sources aligned to central and government policy priorities.
- Further marketing and development of the CXK brand and impact, including greater and more widespread social media campaigns to promote the opportunities available from CXK.
- Increased celebration of the impact and added social value of CXK in the operational targeted areas.
- Expansion and investment into the number of people engaged in the delivery of our charitable aims whether as a volunteer, employee or third party.
- Enhanced and enriched relationships with external partners and key influencers to champion the needs of beneficiaries and shape political direction and priorities.
- Investment in workforce and volunteers, ensuring they have the skills and support to positively impact the lives of beneficiaries.
- Work towards a financial sustainable operating model, developing a broad 5-year forecast plan which will include investments and use of reserves.
- Enhanced focus and drive in the identification and receipt of new and innovative funding streams.
- Continual growth and development of services across a wider geographical patch – securing opportunities to embed high quality services across an increased number of communities.
- A full review of all digital innovation to ensure that CXK are well placed in delivering ambitious and inspiring services and provision for a diverse range of beneficiaries.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

FUTURE PUBLIC BENEFIT

Whilst undoubtedly this has been another tough year for charities, CXK has continued to operate very effectively. As a charity, it continues to seek opportunities to expand its reach and impact across the South of England, building on the links that it has gained through its prime contractor status which sees the geographical footprint expand across a much larger area.

There has been much for CXK to celebrate. There has been a strengthening and expansion of some key functions within the Charity, and a shared culture of demonstrating efficiency, innovation, and impact. Strong governance and management have enhanced the strategic vision for the organisation and creativity and innovation in the further development and growth of the organisation will be a key emphasis moving forward.

The successful acquisition of MYT provided great opportunities for development and growth, raising the profile and impact of the Charity's wide and extensive range of services to a growing number of beneficiaries.

Whilst COVID-19 has severely affected the voluntary sector, CXK has, through its steadfast and rigorous leadership been successful in strengthening its engagement and focus for individuals and communities. CXK will continue in its drive and commitment to work closely with those most affected by coronavirus and play a significant role in strengthening innovative provision to support individuals and communities moving forward.

The challenges of COVID-19 have created instability and volatility across the voluntary, public, and private sectors and many established partners have faced crisis decisions of their own to manage. Relationships and partnerships with new and current stakeholders remain crucial in CXK's navigation of the months ahead and long-term development and growth post the pandemic.

The Trustees will continue to ensure that the Charity benefits the public by reducing unemployment, supporting individuals with barriers to progression, and delivering accessible and high-quality services in collaboration with its stakeholders and partners. CXK will support central and local government and key stakeholders in driving forward the change required to provide opportunity and advancement for so many individuals who have felt left behind.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Charity was incorporated on 20th March 2002 and became a Registered Charity on 4th September 2007. The Charity has incorporated the following dormant subsidiary undertakings - CXK Trading Limited and CXK Careers Limited. On 20th July 2020, CXK became the sole member of Medway Youth Trust (MYT).

The Charity is governed by the rules and regulations set down in its company Memorandum and Articles of Association originally dated 20th March 2002, which were amended by special resolution on 23rd January 2007, 16th December 2008, 24th June 2009 and 19th September 2011. A review of the Articles of Association by the Board of Trustees and an updated version was approved on 4th September 2018 and subsequently updated on 21st May 2020.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees

The Trustees that served during the year are as follows:

Dick Fedorcio OBE, Chair
Pauline Smith, Chief Executive
Jo Boraston (appointed 11/03/21)
Graham Briscoe (resigned 16/09/21)
Domini Bucknell (appointed 11/03/21)
Graeme Dykes
Kelly Freeman
Dominic Hilleard
Christian Robinson
Robert Rose
Sonette Schwartz
William Vernon
Charlotte Walshe
Barry Wilding (resigned 11/03/21)
David Yates

During the year the average attendance of all Trustees at Board and committee meetings was 91% (2020 : 83%)

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance and management

CXK Limited is a registered Charity, and a company limited by guarantee, not having share capital. Every Trustee undertakes to contribute an amount not exceeding £10 to the assets of the Charity in the event of the Charity being wound-up during the period of membership, or within one year thereafter.

At 31st March 2021 the Charity had 14 Members (including the Chief Executive), all of whom are CXK's Trustees. The Trustees are recruited from the business community, education and the public and not for profit sectors, and bring considerable experience and expertise to their roles which strengthens the Charity's development, growth, and sustainability.

The overall strategic direction of the Charity is determined by the Board of Trustees. The Board develops and sets the strategy and reviews performance against its business plan targets over the course of the year.

The management and delivery of the overall strategy, and day to day service delivery, is delegated by the Board to the Chief Executive and the executive team, with a wider staff team of circa 130.

The Chair of the Board and Chief Executive are committed to enhancing and strengthening the focus, commitment, and engagement of the Trustees. Trustees are appointed based on the skills analysis and expertise required by the Trustee Board. Recruitment of Independent Trustees takes place by advertisements in local media and on targeted websites and social media platforms.

Applicants are subject to interview by Trustees and the Chief Executive to determine their suitability for the role, including whether their skills match the Charity's need, and then forwarded to the Board for approval. Skills profiles are updated and reviewed by the Audit and Governance Committee. The Charity has an agreed Induction Pack that is given to new Trustees alongside formal induction training. They also meet with the Chair, Chief Executive, executive team, and relevant employees.

The past year saw the retirement of two Trustees who have made significant contributions on the Board and the work of CXK. In consideration of the long-term plan for recruitment and development of the Board the Charity appointed two new Trustees. The new Trustees bring a range of new skills, experience, and knowledge to our professional and fully engaged Board.

The Board has four Committees:

- Audit and Governance Committee
- Development, Fundraising and Marketing Committee
- Finance and Resources Committee
- Performance and Quality Committee

The Committees meet three times a year to scrutinise, oversee and make recommendations to the Board on all key aspects of CXK's business. Each Committee is chaired by a Trustee and supported by the relevant Executive Director. The full Trustee Board meets a minimum of four times a year with an additional strategic away day being held each year.

The membership of the committees is as follows:

Audit and Governance Committee

Christian Robinson
Graham Briscoe
Graeme Dykes

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Development, Fundraising and Marketing Committee

Charlotte Walshe
Dominic Hilleard
Kelly Freeman
David Yates

Finance and Resources Committee

Barry Wilding
Robert Rose
Kelly Freeman
Jo Boraston

Performance and Quality Committee

William Vernon
Sonette Schwartz
Dominic Hilleard
Charlotte Walshe

The Board completes a range of mandatory training and is offered development and support on relevant topics and regulation, to ensure it remains informed and aware of the challenges and risks facing the Charity. The Board reviews its own and the Chair's performance and all Trustees have an annual appraisal. The Charity produces a bi-weekly e-bulletin for staff and Trustees and the Chief Executive provides strategic updates to Trustees to inform them on latest developments or critical issues that occur outside of formal Board meetings. Chief Executive's report is received at each Board meeting.

While Trustees concentrate on the overall running of the Charity and the scheduled Board and Committee meetings facilitate the governance framework, Trustees are also supported to visit front line services, meet staff and attend beneficiary events and achievement events however this has been hindered in the last year due to the lack of face to face delivery taking place and restrictions due to the pandemic.

COVID-19 has impacted on the workings of the Trustee Board as all Board meetings have moved to a virtual format conducted via Microsoft Teams. The virtual meetings have worked extremely well and at the start of Lockdown extraordinary meetings were held in addition to the pre-planned schedule. Attendance has not been negatively affected, indeed positively remaining consistent with previous years.

Whilst this has been a tough year for charities, CXK has demonstrated incredible resilience whilst navigating the overwhelming challenge of COVID-19. Strong governance displayed through innovative leadership and management ensured CXK not only survived one of the most challenging years in its history, but in fact has experienced one of its most successful years for creative expansion, service development, and financial sustainability.

The Charity's aim of making a positive difference to the lives of those in need by reason of youth, age, ill-health, disability, financial hardship, or other disadvantage remained the driving force and motivation required to achieve our success.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The senior leadership team and Trustee Board worked quickly and effectively to steer the charity through the turbulent and unpredictable challenges of COVID-19. We remained resolute on grasping the issues, identifying the impact, prioritising the right decisions, both operationally and strategically, guaranteeing CXK remained in a strong position to maintain its charitable impact across the South East.

Efficiency in mobilising all services from face-to-face (previously delivered within community venues/settings), to a totally new digital and virtual platform was nothing short of a miracle. Our charity transformed overnight and engaged and supported our beneficiaries and communities in new and exciting ways.

With estimates that many charities would be unable to survive the impact and consequences of COVID-19, the Trustee Board and leadership team of CXK were determined and resolute in implementing rigorous financial modelling, risk assessment and budget processes to maintain management overview of the financial and strategic impact to the charity.

CXK has excelled in managing the impact of the pandemic, securing a strong legacy of success for CXK moving forward. Strengthening and expansion of key functions within the Charity, a shared culture of demonstrating efficiency, innovation and impact, and incredible success in a merger with another charity, all whilst continuing the delivery of all services during the pandemic.

Pay policy for key management personnel

The Chair of the Board is responsible for the Chief Executive's appraisal and the Board determine an annual pay review for all staff, based on the financial position of the charity, industry benchmarks and within the employment contract and policies of the organisation. Due to the exceptional resilience, hard work and dedication displayed in the last year, all staff were awarded a one off pay award in appreciation and recognition.

Equality, diversity, and inclusion

CXK is committed to promoting equality, diversity, and inclusion through all aspects of our organisation. Policies and practices ensure that daily behaviours reflect strong compliance and understanding of equality principles across the Charity's work.

CXK has created a very positive culture where people treat each other with mutual respect, regardless of age, disability, gender, marital status, race, religion, sexual orientation, or any other characteristic. All staff receive unconscious bias training as part of the mandatory schedule.

Following the Black Lives Matter campaign CXK commenced a comprehensive review of all aspects of equality and diversity across the organisation to provide reassurance that all processes and responsibilities are embedded fully within and across the organisation.

In 2021 we will be sourcing a comprehensive external audit of all aspects of equity, diversity, and inclusion across the Charity. We welcome professional scrutiny on all policies, processes, behaviour, and culture to provide assurance to our Board, staff and beneficiaries and stakeholders that CXK places equality, diversity and inclusion at the heart of Charity. Any areas of development to assist continued growth and advancement will be managed through a detailed action plan.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Compliance

The Board has been strengthened with the appointment of two new Trustees, bringing knowledge of finance/accounting, risk management and equal opportunities and disability and continues to engage an Independent Auditor to monitor compliance and an independent, dedicated Health and Safety advisor.

The Charity continues to apply the updated Charity Sectors Voluntary Code of Governance. This supports a framework for objective assessment of the organisation's governance arrangements and performance.

The Code of Governance is reviewed annually with progress monitored against the action plan. CXK have an established and rigorous framework of governance and its effective policies and procedures are well regarded when compared with other similar charities.

CXK continue to comply with Ofsted recommendations and adhere to the standards of Merlin (for supply chain management) and Matrix standards (for delivery of information, advice, and guidance).

Statement of Trustees' responsibilities

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

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

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The auditor, Crowe U.K. LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 16 September 2021 and signed on their behalf by:



Dick Fedorcio OBE
(Chair of Trustees)

CXK LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CXK LIMITED

Opinion

We have audited the financial statements of CXK Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CXK LIMITED (CONTINUED)

Other information

The other information comprises the information included in the 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CXK LIMITED (CONTINUED)

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 is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and SORP 2015.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- enquiry of management and review and inspection of relevant correspondence;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CXK LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Weekes (Senior Statutory Auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Riverside House

40 - 46 High Street

Maidstone

Kent

ME14 1JH

Date: 19 November 2021

CXK LIMITED
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	294,036	4,000	298,036	11
Charitable activities	5	348,097	6,938,754	7,286,851	6,968,495
Investments	6	-	56,344	56,344	67,185
		<u>642,133</u>	<u>6,999,098</u>	<u>7,641,231</u>	<u>7,035,691</u>
Total income					
Expenditure on:					
Charitable activities		642,803	6,509,432	7,152,235	6,904,511
		<u>642,803</u>	<u>6,509,432</u>	<u>7,152,235</u>	<u>6,904,511</u>
Total expenditure					
Net (expenditure)/income before net gains/(losses) on investments		(670)	489,666	488,996	131,180
Net gains/(losses) on investments		-	257,964	257,964	(36,569)
		<u>(670)</u>	<u>747,630</u>	<u>746,960</u>	<u>94,611</u>
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		670	4,912,784	4,913,454	4,818,843
Net movement in funds		(670)	747,630	746,960	94,611
		<u>-</u>	<u>5,660,414</u>	<u>5,660,414</u>	<u>4,913,454</u>
Total funds carried forward					

CXK LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 04399340

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	458,306	503,852
Investments	13	1,927,530	1,613,554
Investment property	12	945,000	945,000
		<u>3,330,836</u>	<u>3,062,406</u>
Current assets			
Debtors	14	693,285	723,916
Cash at bank and in hand		3,653,211	1,963,630
		<u>4,346,496</u>	<u>2,687,546</u>
Creditors: amounts falling due within one year	15	(1,761,166)	(580,747)
Net current assets		<u>2,585,330</u>	<u>2,106,799</u>
Total assets less current liabilities		<u>5,916,166</u>	<u>5,169,205</u>
Provisions for liabilities		(255,751)	(255,751)
Total net assets		<u><u>5,660,415</u></u>	<u><u>4,913,454</u></u>
Charity funds			
Restricted funds	19	-	670
Unrestricted funds	19	5,660,415	4,912,784
Total funds		<u><u>5,660,415</u></u>	<u><u>4,913,454</u></u>

CXK LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 04399340

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

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

The financial statements were approved and authorised for issue by the Trustees on 16 September 2021 and signed on their behalf by:



Dick Fedorcio OBE
(Chair of Trustees)

The notes on pages 38 to 58 form part of these financial statements.

CXK LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 04399340

CHARITY BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	458,306	503,852
Investments	13	1,927,530	1,613,554
Investment property	12	945,000	945,000
		<u>3,330,836</u>	<u>3,062,406</u>
Current assets			
Debtors	14	693,284	723,916
Cash at bank and in hand		3,297,871	1,963,630
		<u>3,991,155</u>	<u>2,687,546</u>
Creditors: amounts falling due within one year	15	(1,731,425)	(580,747)
Net current assets		<u>2,259,730</u>	<u>2,106,799</u>
Total assets less current liabilities		<u>5,590,566</u>	<u>5,169,205</u>
Provisions for liabilities		(255,751)	(255,751)
Total net assets		<u><u>5,334,815</u></u>	<u><u>4,913,454</u></u>
Charity funds			
Restricted funds	19	-	670
Unrestricted funds			
General funds	19	5,334,815	4,912,784
Total unrestricted funds	19	<u>5,334,815</u>	<u>4,912,784</u>
Total funds		<u><u>5,334,815</u></u>	<u><u>4,913,454</u></u>

CXK LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 04399340

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The Charity's net movement in funds for the year was £421,362 (2020 - £94,611).

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

The financial statements were approved and authorised for issue by the Trustees on 16 September 2021 and signed on their behalf by:



Dick Fedorcio OBE
(Chair of Trustees)

The notes on pages 38 to 58 form part of these financial statements.

CXK LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	1,245,922	(461,672)
Cash flows from investing activities		
Dividends, interests and rents from investments	56,344	67,185
Proceeds from the sale of tangible fixed assets	305,000	-
Purchase of tangible fixed assets	-	(3,000)
Purchase of investments	(56,012)	(558,461)
Cash acquired on acquisition	138,327	-
Net cash provided by/(used in) investing activities	443,659	(494,276)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	1,689,581	(955,948)
Cash and cash equivalents at the beginning of the year	1,963,630	2,919,578
Cash and cash equivalents at the end of the year	3,653,211	1,963,630

The notes on pages 38 to 58 form part of these financial statements

CXK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

CXK Limited is a company limited by guarantee (registered number 04399340) which is incorporated and domiciled in England. It is also registered as a charity with the Charity Commission (registered number 1120755). The address of the registered office is The Old Court, Tufton Street, Ashford, Kent, TN23 1QN

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

CXK Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 Income

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

Income comprises mainly grant and contract funding for projects from government and other bodies. Additional income arises from interest received and fundraising.

Income from government and other 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. Income received in advance for provision of specified services is deferred until the criteria for income recognition are met.

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

CXK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Expenditure

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

Expenditure is classified under the following activity headings:

i) Expenditure on charitable activities includes costs incurred in furtherance of the Charity's objects relating to the benefit of children and young people, and the associated support costs.

ii) Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include head office costs, finance, payroll, IT, HR and governance costs.

iii) Governance costs are those relating to the Charity itself, not its objects and include external audit, any legal advice for the Trustees and any costs associated with complying with constitutional and statutory requirements i.e the costs of Trustees meetings and preparing statutory accounts.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.4 Interest receivable

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

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

Depreciation is provided on the following bases:

Land	- No depreciation
Computer equipment	- 3 to 5 years straight line
Building improvements	- 3 to 20 years straight line

CXK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.6 Investments

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

Investment properties

The Trustees' policy is to revalue the charity's investment properties at each reporting date.

A valuation of the land and buildings was carried out as at 31 March 2019.

No depreciation is provided in respect of investment properties in accordance with section 16 of FRS 102 "Investment Property".

2.7 Debtors

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

2.8 Cash at bank and in hand

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

2.9 Liabilities

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

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

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

2.10 Financial instruments

The Group 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.

CXK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.11 Pensions

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

2.12 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 Group and which have not been designated for other purposes.

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Charity may be required to make estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The principal areas where judgement was exercised are as follows:

ii) Property valuations: freehold land and buildings and investment properties are revalued by Stafford Perkins when the Trustees believe there has been a material change in value. Trustees assess on an annual basis the valuation of the properties. The value of the properties is estimated to be the open market value at the balance sheet date.

ii) Clawback provision: provisions are made in the financial statements for potential clawbacks from funders based on the terms of the contracts/grants. The Trustees assess annually whether the potential clawbacks meet the criteria for recognition of liabilities and will include any amounts accordingly.

CXK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Income from donations and legacies

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Donations	-	4,000	4,000
Fair value of Medway Youth Trust assets received	294,036	-	294,036
	<u>294,036</u>	<u>4,000</u>	<u>298,036</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	<u>11</u>	<u>11</u>

5. Income from charitable activities

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Income from charitable activities	<u>348,097</u>	<u>6,938,754</u>	<u>7,286,851</u>

Included in grant income are amounts totalling £221,781 in relation to the Coronavirus Job Retention Scheme.

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Income from charitable activities	<u>6,968,495</u>	<u>6,968,495</u>

CXK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest received	56,344	56,344
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment income - local cash	67,185	67,185

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Charitable activities	7,131,449	20,786	7,152,235
	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Charitable activities	6,871,815	32,696	6,904,511

CXK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2021 £	Total funds 2021 £
Staff costs	3,402,236	3,402,236
Depreciation	45,546	45,546
Travel and subsistence	6,119	6,119
Sub-Contractor costs	2,660,226	2,660,226
Consultancy	55,923	55,923
Premises costs	131,855	131,855
IT and Communications	403,390	403,390
Printing, postage and stationery	12,388	12,388
Training costs	18,554	18,554
Marketing and development	8,437	8,437
Other staff costs	10,836	10,836
Direct delivery costs	217,468	217,468
Other costs	158,471	158,471
Total 2021	<u>7,131,449</u>	<u>7,131,449</u>

CXK LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Activities 2020 £</i>	<i>Total funds 2020 £</i>
Staff costs	3,059,183	3,059,183
Depreciation	53,814	53,814
Travel and subsistence	94,879	94,879
Sub-Contractor costs	2,699,165	2,699,165
Consultancy	57,791	57,791
Premises costs	144,436	144,436
IT and Communications	324,512	324,512
Printing, postage and stationery	32,869	32,869
Training costs	67,053	67,053
Marketing and development	33,293	33,293
Other staff costs	11,186	11,186
Direct delivery costs	190,229	190,229
Other costs	103,405	103,405
	<u>6,871,815</u>	<u>6,871,815</u>

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Governance costs	<u>20,786</u>	<u>32,696</u>

8. Auditor's remuneration

	2021 £	<i>2020 £</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	15,100	12,300
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	<u>650</u>	<u>2,340</u>

CXK LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Staff costs

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Wages and salaries	2,980,181	<i>2,672,903</i>	2,795,510	<i>2,672,903</i>
Social security costs	266,321	<i>241,309</i>	248,576	<i>241,309</i>
Contribution to defined contribution pension schemes	155,734	<i>144,971</i>	144,628	<i>144,971</i>
	<u>3,402,236</u>	<i><u>3,059,183</u></i>	<u>3,188,714</u>	<i><u>3,059,183</u></i>

Staff costs includes termination benefits of £8,709 (2020 - £15,271). Termination benefits are measured at the best estimate of expenditure required to settle the obligation at the reporting date. Termination benefits of £8,257 (2020 - £11,227) were included in accruals at the balance sheet date.

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

	Group 2021 No.	<i>Group 2020 No.</i>
Delivery staff, including delivery managers	108	<i>83</i>
Central support and Senior Leadership Team	13	<i>16</i>
	<u>121</u>	<i><u>99</u></i>

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

	Group 2021 No.	<i>Group 2020 No.</i>
In the band £60,001 - £70,000	2	<i>2</i>
In the band £70,001 - £80,000	1	<i>-</i>
In the band £110,001 - £120,000	1	<i>1</i>

Key management personnel are considered to be the executive directors. The full time equivalent was 3.0 (2020 - 3.0).

During the year, amounts paid to executive directors in respect of qualifying services amounted to £252,860 (2020 - £246,500). Charity contributions to associated pension schemes amounted to £24,420 (2020: £23,300).

CXK LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Trustees' remuneration and expenses

		2021	2020
		£	£
Dick Fedorcio OBE	Chair of Trustees	16,500	16,500
Pauline Smith	Chief Executive	111,100	113,500
Graham Briscoe	Chair of Audit and Governance Committee until 31 July 2021	1,238	4,950
Christian Robinson	Chair of Audit & Governance Committee from 1 August 2021	1,733	-

During the year ended 31 March 2021, expenses totalling £403 were reimbursed or paid directly to 3 Trustees (2020 - £3,585 to 8 Trustees).

11. Tangible fixed assets

Group

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2020	193,484	491,315	58,994	743,793
On acquisition of subsidiaries	305,000	-	-	305,000
Disposals	(305,000)	-	-	(305,000)
At 31 March 2021	<u>193,484</u>	<u>491,315</u>	<u>58,994</u>	<u>743,793</u>
Depreciation				
At 1 April 2020	-	194,244	45,697	239,941
Charge for the year	-	33,360	12,186	45,546
At 31 March 2021	<u>-</u>	<u>227,604</u>	<u>57,883</u>	<u>285,487</u>
Net book value				
At 31 March 2021	<u><u>193,484</u></u>	<u><u>263,711</u></u>	<u><u>1,111</u></u>	<u><u>458,306</u></u>
At 31 March 2020	<u><u>193,484</u></u>	<u><u>297,071</u></u>	<u><u>13,297</u></u>	<u><u>503,852</u></u>

CXK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. Tangible fixed assets (continued)

Charity

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2020	193,484	491,315	58,994	743,793
At 31 March 2021	<u>193,484</u>	<u>491,315</u>	<u>58,994</u>	<u>743,793</u>
Depreciation				
At 1 April 2020	-	194,244	45,697	239,941
Charge for the year	-	33,360	12,186	45,546
At 31 March 2021	<u>-</u>	<u>227,604</u>	<u>57,883</u>	<u>285,487</u>
Net book value				
At 31 March 2021	<u>193,484</u>	<u>263,711</u>	<u>1,111</u>	<u>458,306</u>
<i>At 31 March 2020</i>	<u>193,484</u>	<u>297,071</u>	<u>13,297</u>	<u>503,852</u>

12. Investment property

Group

	Freehold investment property £
Valuation	
At 1 April 2020	945,000
At 31 March 2021	<u>945,000</u>

CXK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Investment property (continued)

Charity

	Freehold investment property £
Valuation	
At 1 April 2020	945,000
At 31 March 2021	<u>945,000</u>

The valuation was made by Stafford Perkins, on an open market value for existing use basis in 2020 and Trustees have assessed the valuation in 2021 based on the prior year third party valuation.

13. Fixed asset investments

Group and Charity	Listed investments £
Cost or valuation	
At 1 April 2020	1,613,554
Additions	56,012
Revaluations	257,964
At 31 March 2021	<u>1,927,530</u>
Net book value	
At 31 March 2021	1,927,530
<i>At 31 March 2020</i>	<u><u>1,613,554</u></u>

CXK LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Fixed asset investments (continued)

On 20 July 2020 the charity obtained control of Medway Youth Trust by becoming the sole member for £nil consideration and is treated a subsidiary in the consolidated financial statements.

The Charity owns 100% of the issued share capital of CXK Trading Limited, a company registered in England. The Charity acquired the one ordinary share of £1 at par upon incorporation and the company has not traded to date. This share is carried in the balance sheet at its original cost of £1, which the trustees believe equates to its market value.

The Charity controls 100% of the issued share capital in CXK Careers Limited, a company registered in England. The Charity acquired control of the one ordinary share of £1 which remains unpaid upon incorporation and the company has not traded to date.

14. Debtors

	Group 2021 £	<i>Group</i> <i>2020</i> £	Charity 2021 £	<i>Charity</i> <i>2020</i> £
Due within one year				
Trade debtors	256,778	<i>309,345</i>	256,778	<i>309,345</i>
Other debtors	635	<i>724</i>	634	<i>724</i>
Prepayments and accrued income	435,872	<i>413,847</i>	435,872	<i>413,847</i>
	693,285	<i>723,916</i>	693,284	<i>723,916</i>

CXK LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Trade creditors	322,774	18,972	322,774	18,972
Other taxation and social security	138,369	94,349	134,972	94,349
Other creditors	638,408	120,427	631,564	120,427
Accruals and deferred income	661,615	346,999	642,115	346,999
	<u>1,761,166</u>	<u>580,747</u>	<u>1,731,425</u>	<u>580,747</u>
	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Deferred income at 1 April 2020	107,550	140,420	107,550	140,420
Resources deferred during the year	173,221	107,550	173,221	107,550
Amounts released from previous periods	(107,550)	(140,420)	(107,550)	(140,420)
	<u>173,221</u>	<u>107,550</u>	<u>173,221</u>	<u>107,550</u>

16. Financial instruments

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Financial assets				
Financial assets measured at amortised cost	<u>3,566,794</u>	<u>2,273,707</u>	<u>3,566,794</u>	<u>2,273,707</u>
	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(1,449,577)</u>	<u>(378,848)</u>	<u>(1,596,454)</u>	<u>(378,848)</u>

Financial assets measured at amortised cost comprise of cash, trade and other debtors and accrued income.

Financial liabilities measured at amortised cost comprise of trade and other creditors and accruals.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

17. Provisions

Group and Charity

	Provisions £
At 1 April 2020	255,751
	255,751

18. Business combinations

On 20/07/2020, the Charity merged with Medway Youth Trust whereby Medway Youth Trust became a subsidiary of CXK Limited. There was no consideration in the agreement so the fair value of the net assets that were acquired as at 20 July 2020 are represented as a donation in note 4 in accordance with paragraph 24.30 of the SORP 2015.

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	218,861	86,139	305,000
	218,861	86,139	305,000
Current Assets			
Debtors	96,657	-	96,657
Cash at bank and in hand	138,327	-	138,327
	453,845	86,139	539,984
Total Assets			
Creditors			
Due within one year	(245,948)	-	(245,948)
	207,897	86,139	294,036
Total Identifiable net assets			

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19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds - all funds	4,912,784	6,999,099	(7,151,565)	257,964	5,018,282
Unallocated amounts	-	-	642,133	-	642,133
	<u>4,912,784</u>	<u>6,999,099</u>	<u>(6,509,432)</u>	<u>257,964</u>	<u>5,660,415</u>
Restricted funds					
Awards for All	670	-	(670)	-	-
Medway Youth Trust funds restricted for use in the Medway area	-	294,036	(294,036)	-	-
Medway Youth Trust funds restricted for use in the South East	-	348,097	(348,097)	-	-
	<u>670</u>	<u>642,133</u>	<u>(642,803)</u>	<u>-</u>	<u>-</u>
Total of funds	<u><u>4,913,454</u></u>	<u><u>7,641,232</u></u>	<u><u>(7,152,235)</u></u>	<u><u>257,964</u></u>	<u><u>5,660,415</u></u>

The restricted funds in relation to Medway Youth Trust relate to funds that carry area restrictions with them due to the objects of Medway Youth Trust being narrower than that of CXK Limited.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2020 £</i>
Unrestricted funds					
General Funds - all funds	4,811,918	7,035,691	(6,898,256)	(36,569)	4,912,784
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2020 £</i>
Restricted funds					
Awards for All	5,033	-	(4,363)	-	670
Port of Dover	1,000	-	(1,000)	-	-
Cllr Hall	900	-	(900)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	6,933	-	(6,263)	-	670
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	4,818,851	-	(6,904,519)	(36,569)	4,913,454
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CXK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	458,306	458,306
Fixed asset investments	1,927,530	1,927,530
Investment property	945,000	945,000
Current assets	4,346,497	4,346,497
Creditors due within one year	(1,761,166)	(1,761,166)
Provisions for liabilities and charges	(255,751)	(255,751)
Difference	(1)	1
Total	<u>5,660,415</u>	<u>5,660,415</u>

Analysis of net assets between funds - prior year

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	503,852	503,852
Fixed asset investments	-	1,613,554	1,613,554
Investment property	-	945,000	945,000
Current assets	670	2,686,884	2,687,554
Creditors due within one year	-	(580,747)	(580,747)
Provisions for liabilities and charges	-	(255,751)	(255,751)
Total	<u>670</u>	<u>4,912,792</u>	<u>4,913,462</u>

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NOTES TO THE FINANCIAL STATEMENTS
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21. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021	<i>Group 2020</i>
	£	£
Net income for the year (as per Statement of Financial Activities)	746,960	94,611
Adjustments for:		
Depreciation charges	45,546	53,952
Gains/(losses) on investments	(257,964)	73,481
Dividends, interests and rents from investments	(56,344)	(67,185)
Loss on the sale of fixed assets	-	2,427
Decrease/(increase) in debtors	115,779	(81,641)
Increase/(decrease) in creditors	945,981	(500,405)
Gains on investment property	-	(36,912)
Donation of assets on acquisition of Medway Youth Trust	(294,036)	-
Net cash provided by/(used in) operating activities	1,245,922	(461,672)

22. Analysis of cash and cash equivalents

	Group 2021	<i>Group 2020</i>
	£	£
Cash in hand	3,653,211	1,963,630
Total cash and cash equivalents	3,653,211	1,963,630

23. Analysis of changes in net debt

	At 1 April 2020	Cash flows	Acquisition and disposal of subsidiaries	At 31 March 2021
	£	£	£	£
Cash at bank and in hand	1,963,630	1,551,254	138,327	3,653,211
	1,963,630	1,551,254	138,327	3,653,211

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24. Pension commitments

The charity makes contributions to defined contribution pension schemes whose assets are held in an independently administered fund. During the year, contributions of £144,628 (2020 - £144,971) were made to the pension scheme with contributions of £nil (2020 - £nil) outstanding at the balance sheet date.

25. Related party transactions

During the year the charity received income from Brockhill Performing Arts College totalling £4,500 (2020 - £8,250) in relation to careers guidance and counselling provided to the college. S Schwartz is the Principal and Accounting Officer of Brockhill Performing Arts College and a Trustee of CXK Limited.

The group also received income from Highworth Grammar School totalling £2,500 (2020 - £nil). R Rose is a Trustee at Highworth Grammar School.

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13. Fixed asset investments (continued)

26. Principal subsidiaries, associates and joint ventures

The following was a subsidiary undertaking of the Charity:

Name	Company number	Charity registration number	Registered office or principal place of business	Class of shares	Included in consolidation
Medway Youth Trust	06393997	1124219	The Old Court, Tufton Street, Ashford, Kent, England, TN23 1QN	Sole member	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Medway Youth Trust	766,285	(676,353)	86,932	325,599