

Registered number: 04399340
Charity number: 1120755

CXK Limited
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 March 2022

CXK Limited
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**Reference and administrative details of the Charity, its Trustees and advisers
For the year ended 31 March 2022**

Trustees Dick Fedorcio OBE, Chair
Pauline Smith, Chief Executive
Jo Boraston
Graham Briscoe (resigned 16 September 2021)
Domini Bucknell
Graeme Dykes
Kelly Freeman
Dominic Hilleard
Peter O'brien (appointed 24 March 2022)
Christian Robinson
Robert Rose
Sonette Schwartz
William Vernon
Charlotte Walshe
David Yates

Company registered number 04399340

Charity registered number 1120755

Registered office The Old Court
Tufton Street
Ashford
Kent
TN23 1QN

Company secretary Anthony Crocker

Chief executive officer Pauline Smith

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**Reference and administrative details of the Charity, its Trustees and advisers (continued)
For the year ended 31 March 2022**

Independent auditors	Kreston Reeves LLP Chartered Accountants 37 St Margaret's Street Canterbury Kent CT1 2TU
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
Investment Advisors	Sarasin & Partners LLP Juxon House 100 St. Paul's Churchyard London EC4M 8BU

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Executive summary
For the year ended 31 March 2022

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 for our beneficiaries, whilst tackling and addressing the impact and inevitable socio-economic challenges faced by so many of our beneficiaries across so many of the communities we work within across the south of England.

Demand for our services increased as many of the challenges faced by our beneficiaries became multifaceted with the shock and impact of the tangible changes experienced after the pandemic and subsequent reflection and review by so many in their approach to work, family and the future.

We have worked hard to adapt to the “new norm” which presents different rules of engagement for not only our beneficiaries but our staff and volunteers too. Many individuals are taking stock of their lives and making new decisions for themselves and their families that provide better work/life balances and a keenness for new opportunities and rewards.

This has presented CXK with exciting approaches to our recruitment and retention of staff and also new routes of engagement across our diverse communities to support beneficiaries in the skills and experience they are identifying as requirements to move them into employment or education pathways.

Instability and uncertainty regarding funding models and challenges of income generation, compounded by political uncertainty at national and local government level, remains a challenge. However CXK has evidenced prompt agility in moving swiftly and flexibly in exploring new business improvement and development opportunities.

Our strength at understanding complex national and regional challenges provided us with the ability to review and consolidate what support is currently in place for beneficiaries and what new or additional support is required. Considered review and scoping for relevant, realistic and deliverable new income streams has resulted in a number of very positive new contracts and funding sources being secured.

In addition it has continued to be incredibly important to adopt the pragmatic and tough decisions required to not “chase income streams” but to show diligence and clarity in business opportunities that add value to beneficiaries, support the Charity’s objectives and provide long term sustainability and growth.

With the majority of CXK’s funding paid on a ‘payment by results’ basis, our financial sustainability remains a primary concern and financial forecasting took precedence as we worked hard to deliver services, within the complexities and challenges experienced after Lockdowns. The expectations and engagement of our partners and stakeholders has required careful and considered management to ensure that honesty related to processes and protocols is understood and solutions developed and shared to ensure the very best of service delivery and outcomes moving forward.

With major changes to hybrid and flexible working practices across the Charity it has been important to prioritise effective communication channels to maintain the positive culture and team focus of CXK. Staff wellbeing, mental health and requirements and aspirations regarding their job role and responsibilities have been considered carefully. Major changes to staff pay scales, performance development and training needs analysis have supported the feedback from staff following the staff survey.

We are incredibly proud that the successful conclusion of the merger of another Charity in July 2020 enabled CXK to strengthen its commitment and vision of delivering transformational services to young people and adults. Staff and services have integrated well and the impact on our work in East Sussex has been extremely positive with a stronger and sustainable business model that is complemented by new business development opportunities.

CXK’s importance and recognition in the employment and education sector has strengthened enormously in the last year – evidenced by the approach by so many stakeholders from across government departments and the public, private and voluntary sector in engaging with CXK to explore strategy, policy, innovation and growth across the south of England.

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For the year ended 31 March 2022

Huge success in winning funding streams from ESF, UK Community Renewal, COVID 19 grants, and extension of our targeted work in prisons, schools and with disadvantaged young people and adults is reflective of our ability to design and deliver provision that meets the needs of the beneficiaries whilst tackling and addressing greater strategic priorities.

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 has extended its presence and membership of established regional Boards to explore and review the impact of COVID-19 and economic challenges on skills, education, and employment across communities.

CXK has worked tirelessly in the last year to manage the transformation and change since the pandemic and we are excited to build on the positive innovation that has driven our Charity in the last couple of years. We move forward with strong financial sustainability, strengthened by re-winning the National Careers Service contract for the south-east region and remain focused in our drive to provide services for the growing number of disadvantaged young people and adults that require our support. The organisation mantra of “One Team, One Organisation, Changing Lives” remains critically important as the socio economic landscape remains unstable.

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Trustees' report
For the year ended 31 March 2022

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 April 2021 to 31 March 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trustees confirm that the annual report and financial statements of the charitable company 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).

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 navigates the direction of travel for our Charity and is 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.

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.

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Trustees' report (continued)
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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.

Activities and areas of delivery and engagement

CXK supports young people and adults through the development and delivery of services and provision that fulfil its three core pillars of focus and activity:

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

It remains essential that CXK maintains a strong focus, understanding and commitment in developing a range of different approaches and specialisms to reach out and engage such a diverse and high number of beneficiaries. Strong commitment to providing support to ensure that individuals can access provision of skills, education, or employment, drives the development and new business innovation of the Charity.

The pandemic has created additional challenges and opportunities for CXK's beneficiaries, and it has been important to review all aspects of our delivery to ensure that the changing needs of young people and adults are reflected positively in the design and delivery of all current and any new provision of services.

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

The last year has created the space for careful and considered review of all areas of delivery. Virtual and remote service delivery has complemented ongoing face-to-face delivery to ensure we adapt and engage with beneficiaries in new and innovative ways.

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 south-east. 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.
- **Bridge the Gap** - Delivery of a targeted mentoring programme for the long term unemployed experiencing barriers to employment in Canterbury, Swale and Thanet.
- **Prison IAG** - Delivery of IAG services and support to adult prisoners in 10 custodial settings across Kent, Surrey and Sussex.

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Trustees' report (continued)

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- **Step Up** – A European Social Fund (ESF) participation contract for 16-24 year olds in Kent, East Sussex and Essex who are at risk of becoming or are Not in Education, Employment or Training (NEET).
- **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.

ACHIEVEMENTS AND PERFORMANCE

The Trustees and executive team analyse and examine a wide range of measures to assess the Charity's success in achieving its charitable objectives. All service delivery aims and goals derive from these alongside focused key performance indicators established by funders and stakeholders. A comprehensive dashboard (operational scorecard) 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, Cyber Essentials + , Merlin Standard and the Matrix Standard).
- Staff survey and team analysis.

Specific achievements

The last year has been incredibly successful for CXK – the ability to strengthen and develop our extensive range of longstanding services alongside the exciting development of tendering for and winning a range of new innovative programmes.

The pandemic has significantly affected and shifted individuals' and community aspirations and this is palpable from the perspective of both beneficiaries and staff. We have worked hard to ensure that the focus and purpose of all our work is closely aligned and targeted to reflect the needs of our beneficiaries in this changing world. Great efforts have been made to continually identify and measure the impact of all our service provision with considerations and reflections shared closely with commissioners and stakeholders.

CXK has been recognised as a significant player in the education and employment sector and as such we have been instrumental in reviewing local delivery and priorities in the context of wider government strategic priorities.

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Trustees' report (continued)

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This year, CXK directly empowered, supported, and engaged with more than 273,000 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 had a negative impact on the number of beneficiaries accessing services. We have worked tirelessly to ensure our support across the southeast re-engages young people and adults, empowering them to re-assess and move forward positively after the challenging period of isolation and uncertainty.

Communication and engagement with Trustees, staff and stakeholders has remained a key priority and we have established a strong suite of communication strategies to ensure all key individuals and teams are kept up to date with comprehensive, prompt, clear, timely and effective communication.

CXK's successful year did not go unnoticed from external awarding bodies and the Charity is delighted to have been awarded the following ;-

- Finalist – Ashford Business Awards 2022 – Innovation award
- Finalist - Kent Charity of the Year 2021 – Large Charity of the year.

This external acknowledgment is an exceptional achievement for the Charity in a year when so much hard work, dedication and commitment has been demonstrated to support our many beneficiaries across so many different communities.

Growing Influence

CXK has always worked closely with central government departments, local authorities and other agencies supporting the commissioning strategies and political strategic direction of the south-east. These include Department of Education (DfE), Department of Work and Pensions (DWP), Ministry of Justice (MOJ), Local Enterprise Partnership (SELEP), Kent County Council, Medway Unitary, East Sussex County Council, 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 and other key stakeholders, private sector employers and training providers.

Since the pandemic it has become evident that CXK's position and importance as an ambassador and voice for the voluntary, education and skills sector has strengthened and gained significant momentum. As a Charity we pride ourselves on the ability to understand national and regional policy priorities and we work diligently to transform key strategies into local transformation and change to support regional and local communities.

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 south-east.

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 Ministerial roundtable events with key Members of Parliament.

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 South East 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.

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Senior managers sit on a wide range of county-wide and regional planning and implementation groups across the south-east. 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 CXK's 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.

The People and Personnel

The last year has been one of change, transformation and review across the Charity whilst we listen to staff and reflect on new ways of working that suit the beneficiaries' needs and support the aspirations of staff following the shift since the pandemic.

People are key at every level, enabling the Charity to have a positive impact through the delivery of its services. Some 85% of staff are directly involved in delivering services to beneficiaries, with the remaining 15% 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 managed the impact of the pandemic and changes to working practices and delivery requirements. External economic factors and cost of living increases alongside staff and their families reflecting and reviewing homelife and work life priorities has led to many informal and formal discussions regarding working practices, flexible working requests and job reviews.

Covid-19 has not gone away and ongoing support and advice to inform staff of working protocols and procedures to keep them safe and protected have remained a priority. CXK already had an extensive employee assistance programme (EAP) support system for staff which offered access to a range of complimentary services to assist wellbeing and mental health in addition to counselling, financial support, and a range of other areas targeted in supporting staff and their families. We have noticed a positive engagement by staff in accessing additional support where they feel it is appropriate and staff have reported very favourably on the support available to them in our annual staff survey.

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.

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

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.

Following a detailed benchmarking and review of all salary grades and job roles across the Charity we introduced a new pay scale and supporting performance development review system across CXK.

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Diligent analysis and review of each job role and responsibility helped inform and shape a really positive and refreshed payscale scheme that provided increases to every individual job role across the Charity. All information and details were shared openly with staff and followed up with the introduction and training required to implement the new Performance Review system in April 2022.

We are confident that the new payscale and review system adds further confidence and reassurance to staff that we are committed to ongoing review and feedback and with the Board's support we feel confident that our major changes now in place will aid retention and recruitment moving forward.

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.

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 places great importance on the social action, wider impact, and resilience of their work in strengthening communities and it successfully nurtures 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 ongoing 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 successful merger of Medway Youth Trust, and strong engagement of local and central government politicians.

The challenges of COVID-19 have created ongoing 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 have proved crucial in CXK's navigation of the last year will remain essential in our long-term development and growth in managing the long-term impact of the changing world we live in.

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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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.

In addition to robust Quality Assurance measurements that are reported and assessed on the CXK operational scorecard, CXK has embedded the complementary “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 has an extensive portfolio of policies and procedures to ensure it complies with relevant legislation and that it operates 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 to all staff and all sub-contractors are obliged to adhere to all CXK policies and principles.

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

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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 2022, the Charity had "free reserves" (i.e. the total of unrestricted income funds not invested in tangible fixed assets) of £5,672,473 with an operating cost base of £6,579,698 (31st March 2021: £5,202,109 against operating costs of £7,152,235). Restricted reserves are £nil (2021: £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 10.3 months of operating costs (2021: 8.7 months) set aside.

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 £1,961,908 (2021: £1,927,530) 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 £6,087 (2021: £4,000) towards improving its beneficiaries' life-chances. No fundraising complaints (2021: none) were received during the year.

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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 £5 million in respect of any one claim.

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, especially on the outcomes claimable on payment by results contracts

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.

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.

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For the year ended 31 March 2022

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 more than 273,000 young people and adults through CXK's direct delivery and from the work of its sub-contractors and partners. COVID-19 with its ongoing challenges, resulted in atypical numbers of individual engagement across each service. Generally there was a 11% increase in total number of individuals engaged with as our beneficiaries and partner agencies readjusted to re-engaging with the support and provision delivered by our Charity.

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

- National Careers Service supported 29,000 (2021: 27,000) individuals across the southeast region.
- Prison Information Advice and Guidance supported more than 5,500 (2021: 1,000) individuals across 10 (2021: 10) prisons.
- Bridge the Gap has mentored over 300 hard to reach unemployed individuals.
- Apprenticeship Support and Knowledge (ASK) service supported more than 205,000 (2021: 179,000) students, more than 18,000 (2021: 22,000) parents, more than 6,000 (2021: 6,000) teachers, and working with more than 1,000 (2021: 1,000) schools across the south region.
- NEET service supported more than 3,500 (2021: 3,500) young people with additional work experience and progression support provided to 875 (2021: 720) young people.
- School Careers and Emotional Well-being services were delivered to more than 50 (2021: 70) schools and supported more than 4,000 (2021: 3,500) young people.
- Cookham Wood Young Offender Institute supported more than 90 (2021: 160) young people and family members.
- Base Camp and Kickstart mentoring and employability support initiatives supported over 60 (2021: 50) young people aged 16-25 years.
- Step Up – has worked with 8 subcontracted partners and more than 1,300 young people.

Trustees' Assessment of Public Benefit

The Trustees utilise the range of measures of performance detailed (see page 11) 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 socio/economic need and/or supporting a Central/local 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.

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.

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Trustees' report (continued)
For the year ended 31 March 2022

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 announced as winner of the Kent Large Charity of the Year award for 2021/22 and finalist in the Ashford Business Awards 2022 – testament for all the hard work of staff, partners, the leadership team, and the Trustee Board.

Strong business development and business improvement activity has been instrumental in ensuring that CXK does not get complacent regarding its important role in delivering exceptional and vital education and employment pathways to its beneficiaries across the south-east.

The last year has seen huge achievements as the Charity successful secured a £2million ESF contract, a UK Community Renewal grant for over £500K, new developmental provision across the south-east prisons and very recently confirmation that it has been re-awarded the National Careers Service Contract for the south-east region to work with over 44,000 beneficiaries.

The strong legacy of success that CXK has driven over the last five years is evidenced now in its key role in the infrastructure of delivering so many services to support and empower so many young people and adults across the south of England.

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 and growing challenges of the economic situation within the UK.

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 and economic crisis 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 disenfranchised 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 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. Our success in securing ongoing contracts and a suite of new provision further cements this position and provides positive sustainability for the Charity moving forwards.

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

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 to continue to shape the hybrid model of approaches required to move forward.

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Trustees' report (continued)

For the year ended 31 March 2022

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:

- New Chair of Board of Trustees appointment September 2022
- Completion of the current 5 year strategic plan and drafting of the new 5 year plan to 2029.
- A 12-month annual business plan reflecting the CXK 6 strategic objectives.
- 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.
- Broaden the outcomes of the Charity wide Training Needs Analysis to ensure all staff, trustees and volunteers have the support and skills to carry out their roles
- Work towards a financial sustainable operating model, strengthening forecast plans 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.
- An external review by an accredited third party organisation to review Environmental, Social and Governance (ESG) aspects of the Charity is planned for late 2022

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 the socio economic challenges and impact of coronavirus and play a significant role in strengthening innovative provision to support individuals and communities moving forward.

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.

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Trustees' report (continued)
For the year ended 31 March 2022

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 5th April 2022, Medway Youth Trust, subsidiary of CXK Limited, was dissolved.

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.

Trustees

The Trustees that served during the year are as follows:

Dick Fedorcio OBE, Chair
Pauline Smith, Chief Executive
Jo Boraston
Graham Briscoe (resigned 16 September 2021)
Domini Bucknell
Graeme Dykes
Kelly Freeman
Dominic Hilleard
Peter O'Brien (appointed 24 March 2022)
Christian Robinson
Robert Rose
Sonette Schwartz
William Vernon
Charlotte Walshe
David Yates

During the year the average attendance of all Trustees at Board and committee meetings was 87% (2021 : 91%)

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 2022 the Charity had 14 Members (including the Chief Executive), all of whom are CXK's Trustees. The Trustees are recruited from the business community, private sector, 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.

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Trustees' report (continued)
For the year ended 31 March 2022

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 one Trustee, Graham Briscoe, who had made significant contributions on the Board and the governance and audit priorities of the Charity. CXK also welcomed a new Trustee, Peter O'Brien, to the Board and will be planning a targeted recruitment campaign in late 2022 to address the fact that three Trustees will reach the end of their second terms in the Spring of 2023.

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 four 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
Graeme Dykes
Peter O'Brien
William Vernon

Development, Fundraising and Marketing Committee

Charlotte Walshe
Dominic Hilleard
Kelly Freeman
David Yates

Finance and Resources Committee

Jo Boraston
Robert Rose
Kelly Freeman

Performance and Quality Committee

William Vernon
Sonette Schwartz
Domini Bucknell

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

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Trustees' report (continued)

For the year ended 31 March 2022

Board reviews its own and the Chair's performance and all Trustees have an annual appraisal. The Charity produces a monthly 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. A 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. 2022 is starting to present new opportunities for Trustees to become more engaged with service visits to meet staff and beneficiaries.

COVID-19 impacted on the workings of the Trustee Board as all Board meetings moved to a virtual format conducted via Microsoft Teams. The virtual meetings have worked extremely well and have continued for most of the committees. Hybrid alternatives are now offered and it is common place to have a mixture of face to face and virtual attendance. The opportunity for variety has resulted in ongoing high attendance by the Trustee members.

Whilst this has been a tough year for charities, CXK has demonstrated incredible resilience whilst navigating COVID-19 and subsequent economic challenges. Strong governance displayed through innovative leadership and management ensured CXK not only survived another challenging year, 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.

The senior leadership team and Trustee Board worked quickly and effectively to steer the charity through the turbulent and unpredictable challenges resulting from 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 totally new digital and virtual platforms was nothing short of a miracle. Our charity transformation now ensures we engage and support 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.

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.

CXK successfully concluded a Charity-wide review and benchmarking exercise that concluded with a new payscale system with job bandings, and a complementary new performance development review (PDR) process.

All line managers across the organisation underwent targeted training and all staff have been kept regularly up to date and informed of the new process, procedures and timetable for the enhanced system.

The new PDR process will provide opportunity to reward outstanding performance against specific criteria and will be moderated by an internal pay review panel.

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Trustees' report (continued)
For the year ended 31 March 2022

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 protected characteristic. All staff receive unconscious bias training as part of the mandatory schedule.

In November 2021 CXK commissioned an external Equality, Diversity and Inclusion review by a third party specialist organisation. The review took place over three months and included :-

- Staff focus groups
- Manager focus groups
- Trustee Board focus group
- One-to-one interview with Chair, CEO, and Senior Leadership Team members
- Comprehensive review of Charity policy documents, recruitment and retention processes and communication and PR materials.

The outcome of the review was shared with the whole organisation and CXK were pleased to report that they had a very good understanding of effective and empathetic processes and procedures with a strong culture of EDI across the Charity

A developmental action plan has been written with key recommendations to enhance and improve the Charity's processes even further.

Compliance

The Board continues to be recognised a very strong example of Charity Governance with exemplary feedback received for auditors and external quality assurance reviews. The expertise of the Trustees across a wide skills matrix complements additional expertise that the Charity sources for areas such as 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 has 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).

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Trustees' report (continued)
For the year ended 31 March 2022

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 including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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



Dick Fedorcio OBE

Date: 29 September 2022

CXK Limited
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Independent auditors' 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 2022 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 2022 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 Auditors' 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.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- 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.

Independent auditors' report to the Members of CXK Limited (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

CXK Limited

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Independent auditors' report to the Members of CXK Limited (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



S M Rouse FCCA DChA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

37 St Margaret's Street

Canterbury

Kent

CT1 2TU

Date: 30 September 2022

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Consolidated Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2022

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	4,000	2,087	6,087	298,036
Charitable activities	5	-	6,956,632	6,956,632	7,286,851
Investments	6	-	55,137	55,137	56,344
Total income		4,000	7,013,856	7,017,856	7,641,231
Expenditure on:					
Charitable activities		4,000	6,575,698	6,579,698	7,152,234
Total expenditure		4,000	6,575,698	6,579,698	7,152,234
Net income before net gains on investments		-	438,158	438,158	488,997
Net gains on investments		-	2,284	2,284	257,964
Net movement in funds		-	440,442	440,442	746,961
Reconciliation of funds:					
Total funds brought forward		-	5,660,415	5,660,415	4,913,454
Net movement in funds		-	440,442	440,442	746,961
Total funds carried forward		-	6,100,857	6,100,857	5,660,415

CXK Limited
(A company limited by guarantee)
Registered number: 04399340

Consolidated balance sheet
As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	428,384	458,306
Investments	14	1,961,908	1,927,530
Investment property	13	945,000	945,000
		<u>3,335,292</u>	<u>3,330,836</u>
Current assets			
Debtors	15	653,267	693,285
Cash at bank and in hand		6,015,455	3,653,211
		<u>6,668,722</u>	<u>4,346,496</u>
Creditors: amounts falling due within one year	16	(3,647,406)	(1,761,166)
		<u>3,021,316</u>	<u>2,585,330</u>
Total assets less current liabilities		<u>6,356,608</u>	<u>5,916,166</u>
Provisions for liabilities	17	(255,751)	(255,751)
Net assets excluding pension asset		<u>6,100,857</u>	<u>5,660,415</u>
Total net assets		<u><u>6,100,857</u></u>	<u><u>5,660,415</u></u>
Charity funds			
Restricted funds	18	-	-
Unrestricted funds	18	6,100,857	5,660,415
Total funds		<u><u>6,100,857</u></u>	<u><u>5,660,415</u></u>

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 and signed on their behalf by:



Dick Fedorcio OBE

Date: 29 September 2022

The notes on pages 30 to 46 form part of these financial statements.

Charity balance sheet
As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	428,384	458,306
Investments	14	1,961,908	1,927,530
Investment property	13	945,000	945,000
		<u>3,335,292</u>	<u>3,330,836</u>
Current assets			
Debtors	15	653,267	693,285
Cash at bank and in hand		6,015,455	3,297,871
		<u>6,668,722</u>	<u>3,991,156</u>
Creditors: amounts falling due within one year	16	(3,647,406)	(1,731,426)
		<u>3,021,316</u>	<u>2,259,730</u>
Net current assets		3,021,316	2,259,730
Total assets less current liabilities		6,356,608	5,590,566
Provisions for liabilities		(255,751)	(255,751)
Net assets excluding pension asset		6,100,857	5,334,815
Total net assets		6,100,857	5,334,815
Charity funds			
Restricted funds	18	-	-
Unrestricted funds	18	6,100,857	5,334,815
Total funds		6,100,857	5,334,815

The Charity's net movement in funds for the year was £766,042 (2021 - £421,362).

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 and signed on their behalf by:



Dick Fedorcio OBE

Date: 29 September 2022

The notes on pages 30 to 46 form part of these financial statements.

CXK Limited
(A company limited by guarantee)

Consolidated statement of cash flows
For the year ended 31 March 2022

	2022	2021
	£	£
Cash flows from operating activities		
Net cash used in operating activities	2,339,201	1,245,922
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	55,137	56,344
Proceeds from the sale of tangible fixed assets	-	305,000
Proceeds from sale of investments	43	-
Purchase of investments	(32,137)	(56,012)
Cash acquired on acquisition	-	138,327
	<hr/>	<hr/>
Net cash provided by investing activities	23,043	443,659
	<hr/>	<hr/>
Cash flows from financing activities		
	<hr/>	<hr/>
Net cash provided by financing activities	-	-
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	2,362,244	1,689,581
Cash and cash equivalents at the beginning of the year	3,653,211	1,963,630
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	6,015,455	3,653,211
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 30 to 46 form part of these financial statements

CXK Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

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.

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.

Notes to the financial statements
For the year ended 31 March 2022

2. Accounting policies (continued)

2.3 Expenditure (continued)

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.

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.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

The estimated useful lives are as follows:

Computer equipment	- 3 to 5 years straight line
Fixtures and fittings	- 3 to 20 years straight line

Notes to the financial statements
For the year ended 31 March 2022

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 the 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 presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

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.

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.

Notes to the financial statements
For the year ended 31 March 2022

2. Accounting policies (continued)

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.

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

i) 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 2022

4. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Donations	4,000	2,087	6,087
	<u>4,000</u>	<u>2,087</u>	<u>6,087</u>
	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>
	<u>294,036</u>	<u>4,000</u>	<u>298,036</u>

5. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £
Income from charitable activities	6,956,632	6,956,632
	<u>6,956,632</u>	<u>6,956,632</u>

There was no grant income received from the Coronavirus Job Retention Scheme during the year (2021: £221,781).

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

CXK Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Investment income	55,137	55,137

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income	56,344	56,344

7. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Charitable activities	6,554,402	25,296	6,579,698

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Charitable activities	7,131,448	20,786	7,152,234

CXK Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2022 £	Total funds 2022 £
Staff costs	3,286,368	3,286,368
Depreciation	29,922	29,922
Travel and subsistence	30,684	30,684
Sub-Contractor costs	2,541,958	2,541,958
Consultancy	53,984	53,984
Premises costs	129,180	129,180
IT and Communications	379,932	379,932
Printing, postage and stationery	77,170	77,170
Training costs	21,486	21,486
Marketing and development	7,240	7,240
Other staff costs	12,922	12,922
Direct delivery costs	111,395	111,395
VAT refund	(214,193)	(214,193)
Other costs	86,354	86,354
	<hr/> 6,554,402 <hr/>	<hr/> 6,554,402 <hr/>

CXK Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

7. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	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	403,389	403,389
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
Provision movement	58,993	58,993
Other costs	99,478	99,478
	<u>7,131,448</u>	<u>7,131,448</u>

Analysis of support costs

	Activities 2022 £	Total funds 2022 £
Governance costs	<u>25,296</u>	<u>25,296</u>

	Activities 2021 £	Total funds 2021 £
Governance costs	<u>20,786</u>	<u>20,786</u>

CXK Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

8. Auditors' remuneration

	2022	2021
	£	£
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	11,000	15,100
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	10,800	650

9. Staff costs

	Group	Group	Charity	Charity
	2022	2021	2022	2021
	£	£	£	£
Wages and salaries	2,891,889	2,980,181	2,891,889	2,795,510
Social security costs	250,536	266,321	250,536	248,576
Contribution to defined contribution pension schemes	143,943	155,734	143,943	144,628
	3,286,368	3,402,236	3,286,368	3,188,714

Staff costs include termination benefits of £nil (2021 - £8,709). Termination benefits are measured at the best estimate of expenditure required to settle the obligation at the reporting date. No termination benefits were payable at the year end (2021 - £8,257).

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

	Group	Group
	2022	2021
	No.	No.
Delivery staff, including delivery managers	100	108
Central support and Senior Leadership Team	14	13
	114	121

The average headcount expressed as full-time equivalents was:

	Group	Group
	2022	2021
	No.	No.
Delivery staff, including delivery managers	86	86
Central support and Senior Leadership Team	13	12
	99	98

CXK Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

9. Staff costs (continued)

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

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	1
In the band £110,001 - £120,000	1	1

Key management personnel are considered to be the executive directors. The full time equivalent was 3 (2021 - 3).

During the year, amounts paid to executive directors in respect of qualifying services amounted to £255,521 (2021 - £252,860). Charity contributions to associated pension schemes amounted to £24,438 (2021 - £24,420).

10. Trustees' remuneration and expenses

		2022 £	2021 £
Dick Fedorcio OBE (Chair)	Remuneration	16,500	16,500
Pauline Smith (Chief Executive)	Remuneration	113,444	111,100
	Pension contributions paid	10,644	10,500
Graham Briscoe (Chair of Audit and Governance Committee until 31 July 2021)	Remuneration	-	1,238
Christian Robinson (Chair of Audit and Governance Committee from 1 August 2021)	Remuneration	2,778	1,733
Robert Rose (Chair of Finance and Resources Committee until 31 December 2021)	Remuneration	3,713	-
Jo Boraston (Chair of Finance and Resources Committee from 1 January 2022)	Remuneration	1,238	-

During the year ended 31 March 2022, expenses totalling £469 were reimbursed or paid directly to 3 Trustees (2021 - £403 to 3 Trustees).

11. Exceptional items

During the year, the charity made a claim in respect of historical VAT treatment concerning a government contract. The result of this claim was a net VAT refund of £214,193, which is shown within note 7 of the financial statements.

CXK Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

12. Tangible fixed assets

Group and Charity

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2021	193,484	491,315	58,994	743,793
At 31 March 2022	<u>193,484</u>	<u>491,315</u>	<u>58,994</u>	<u>743,793</u>
Depreciation				
At 1 April 2021	-	227,604	57,883	285,487
Charge for the year	-	28,922	1,000	29,922
At 31 March 2022	<u>-</u>	<u>256,526</u>	<u>58,883</u>	<u>315,409</u>
Net book value				
At 31 March 2022	<u>193,484</u>	<u>234,789</u>	<u>111</u>	<u>428,384</u>
At 31 March 2021	<u>193,484</u>	<u>263,711</u>	<u>1,111</u>	<u>458,306</u>

CXK Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

13. Investment property

Group and Charity

	Freehold investment property £
Valuation	
At 1 April 2021	945,000
At 31 March 2022	<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 2022 based on the historic third party valuation.

14. Fixed asset investments

Group and Charity	Listed investments £
Cost or valuation	
At 1 April 2021	1,927,530
Additions	32,137
Disposals	(43)
Revaluations	2,284
At 31 March 2022	<u>1,961,908</u>
Net book value	
At 31 March 2022	<u>1,961,908</u>
At 31 March 2021	<u>1,927,530</u>

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

On 29 March 2022, Medway Youth Trust, subsidiary of CXK Limited was struck off the company register. There were no transactions or balances for the year ended 31 March 2022.

CXK Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

15. Debtors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Due within one year				
Trade debtors	184,088	256,778	184,088	256,778
Other debtors	1,781	635	1,781	635
Prepayments and accrued income	467,398	435,872	467,398	435,872
	653,267	693,285	653,267	693,285

16. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	50,940	322,774	50,940	322,774
Other taxation and social security	2,431,479	138,369	2,431,479	134,972
Other creditors	565,916	638,408	565,916	612,064
Accruals and deferred income	599,071	661,615	599,071	661,616
	3,647,406	1,761,166	3,647,406	1,731,426

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Deferred income at 1 April 2021	173,221	107,550	173,221	107,550
Resources deferred during the year	248,888	173,221	248,888	173,221
Amounts released from previous periods	(173,221)	(107,550)	(173,221)	(107,550)
	248,888	173,221	248,888	173,221

17. Provisions

Group and Charity

	Provisions £
At 1 April 2021	255,751
	255,751

CXK Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds					
General Funds	5,660,415	7,013,856	(6,575,698)	2,284	6,100,857
Restricted funds					
WH&A Hawkins Charitable Trust	-	4,000	(4,000)	-	-
Total of funds	5,660,415	7,017,856	(6,579,698)	2,284	6,100,857

Restricted funds

The WH&A Hawkins Charitable Trust fund is in respect of the restriction donation received for the purpose of the CXK Base Camp mentoring programme. This programme was set up support young people in Kent and Medway who are not in education, employment or training.

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds					
General funds	4,912,784	6,999,099	(6,509,432)	257,964	5,660,415
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)	-	-
	670	642,133	(642,803)	-	-
Total of funds	4,913,454	7,641,232	(7,152,235)	257,964	5,660,415

CXK Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

19. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
General funds	5,660,415	7,013,856	(6,575,698)	2,284	6,100,857
Restricted funds	-	4,000	(4,000)	-	-
	<u>5,660,415</u>	<u>7,017,856</u>	<u>(6,579,698)</u>	<u>2,284</u>	<u>6,100,857</u>

Summary of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds	4,912,784	6,999,099	(6,509,432)	257,964	5,660,415
Restricted funds	670	642,133	(642,803)	-	-
	<u>4,913,454</u>	<u>7,641,232</u>	<u>(7,152,235)</u>	<u>257,964</u>	<u>5,660,415</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	428,384	428,384
Fixed asset investments	1,961,908	1,961,908
Investment property	945,000	945,000
Current assets	6,668,722	6,668,722
Creditors due within one year	(3,647,406)	(3,647,406)
Provisions for liabilities and charges	(255,751)	(255,751)
Total	<u>6,100,857</u>	<u>6,100,857</u>

CXK Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Endowment funds 2021 £	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	4,346,496	-	4,346,496
Creditors due within one year	(1,761,166)	-	(1,761,166)
Provisions for liabilities and charges	(255,751)	-	(255,751)
Total	<u>5,660,415</u>	<u>-</u>	<u>5,660,415</u>

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

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	440,442	746,961
Adjustments for:		
Depreciation charges	29,922	45,546
Losses on investments	(2,284)	(257,964)
Dividends, interests and rents from investments	(55,137)	(56,344)
Decrease in debtors	39,324	115,779
Increase in creditors	1,886,934	945,980
Donation of assets on acquisition of Medway Youth Trust	-	(294,036)
Net cash provided by operating activities	<u>2,339,201</u>	<u>1,245,922</u>

22. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	6,015,455	3,653,211
Total cash and cash equivalents	<u>6,015,455</u>	<u>3,653,211</u>

CXK Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

23. Analysis of changes in net debt

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	3,653,211	2,362,244	6,015,455
	<u>3,653,211</u>	<u>2,362,244</u>	<u>6,015,455</u>

24. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £143,943 (2021 - £144,628). There were no contributions outstanding at the balance sheet date (2021 - £nil)

25. Related party transactions

During the year the charity received income from Brockhill Performing Arts College totalling £8,250 (2021 - £4,500) 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 £10,320 (2021 - £2,500) in relation to careers guidance and counselling provided to the school. R Rose is a Trustee at Highworth Grammar School and a Trustee of CXK Limited.