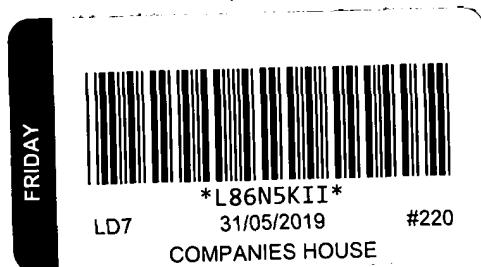


**Company Registered No. 6985746**  
**Registered Charity No. 1134768**  
**Registered Homes and Communities Agency No. 4641**

**Changing Lives Housing Trust**  
**(A Company Limited by Guarantee)**

**Trustees' Report and Audited Financial Statements**  
**For the Year Ended 31 August 2018**



## **Changing Lives Housing Trust**

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## **Changing Lives Housing Trust**

### **Company Information**

<b>Trustees</b>	Danielle Tumler Patricia Songhurst Osahan Okungbowa Kenneth Onyemaenu	Appointed 1 Dec 2018 Resigned 1 Nov 18
<b>Secretary</b>	Danielle Tumler	
<b>Registered Office</b>	29 Wrothysley Road London SE18 3EW	
<b>Registered Number</b>	6985746	
<b>Charity Number</b>	1134768	
<b>Registered Homes and Communities Agency</b>	4641	
<b>Auditors</b>	Tom Carolan & Co Chartered Accountants 33 Austin Friars Street Mullingar Co. Westmeath Ireland N91 NR52	

## **Changing Lives Housing Trust**

### **Report of the Trustees**

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The Trustees, who are also the Directors of the Company for the purposes of the companies Act 2006, submit their report and accounts for the year ended 31st August 2018

#### **Objectives of the Charity**

The Charity's objects ("Objects") are specifically restricted to the following:

To promote social inclusion for the public benefit by preventing homelessness, social exclusion, relieving the needs of those who are socially excluded and assisting them to integrate into the society and the promotion of low cost social housing for people in housing need.

The Trustees plan to continue the charity's work in providing suitable affordable housing for persons in the London area.

#### **Reference and Administrative Details**

The Company is a registered charity no. 1134768 , is limited by guarantee and has no share capital. In the event of a winding up of the Company, the Trustees are each liable to a maximum of £1

#### **Structure, Governance and management**

The affairs of the charity are governed by the Trustees, who meet regularly to oversee the activities and day to day running of the charity. All of the Trustees are volunteers, and no remuneration is paid to any trustee, apart from reimbursement of expenses incurred.

The Trustees, who are all directors of The Company as defined by the Companies Act 2006, are as set out below;

Danielle Tumler  
Patricia Songhurst  
Osahan Okungbowa  
Kenneth Onyemaenu

#### **Achievements and Performance**

The results for the year, and the financial position as at the year end, are as set out in the attached financial statements. The Trustees consider the results to be satisfactory. The current policy of the Trustees is to maintain cash reserves of between £20,000 and £50,000. The minimum shall not fall below £20,000. As part of this policy, the minimum level of cash reserves, whilst forming part of the working capital, is regarded by the Trustees as being available solely to meet unforeseen expenditure arising outside the scope of normal day-to-day activities.

The requirement was fulfilled or exceeded throughout the year

#### **Risk Review**

The Trustees continuously review the major risks which the Company faces and are implementing such systems as are possible to minimise those risks.

#### **Auditors**

Tom Carolan & Co. have indicated their willingness to continue in office in accordance with The Companies Act 2006.

#### **Basis of Preparation**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

## **Changing Lives Housing Trust**

### **Statement of Trustees' responsibilities**

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Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the net incoming or outgoing resources of the Company for that period. In preparing those financial statements, the Trustees are required to;

- \* Select suitable accounting policies and then apply them consistently
- \* Make judgements and estimates that are reasonable and prudent
- \* Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

#### **Statement of disclosure to auditors**

So far as the Trustees are aware, there is no relevant audit information of which our company's auditors are unaware. Additionally, the Trustees have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Trustees



**Danielle Tumler**

Secretary

08 May 2019

## **Independent Auditors' report to the Trustees of**

### **Changing Lives Housing Trust**

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#### **Opinion**

We have audited the financial statements of Changing Lives Housing Trust ('the Company') for the year ended 31 August 2018, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of cash flows and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is U.K. Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland applying Section 1A of that Standard.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 August 2018 and of its result for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, applying Section 1A of that Standard and
- have been properly 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 (England & Wales) (ISAs (England and Wales)) and applicable law. Our responsibilities under those standards are described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of Financial Statements in England and Wales, including the Ethical Standard for Auditors (England and Wales) issued by the Auditing and Accounting Supervisory Authority (IAASA), 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**

We have nothing to report in respect of the following matters in relation to which ISAs (England & Wales) require us to report to you where:

the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Principles

- have been prepared in accordance with the Companies Act 2006

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent Auditors' report to the Trustees of**

### **Changing Lives Housing Trust**

(continued)

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#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Based solely on the work undertaken in the course of the audit, we report that:

in our opinion, the information given in the trustees' report is consistent with the financial statements; and

in our opinion, the trustees' report has been prepared in accordance with the Companies Act 2006

We have obtained all the information and explanations we consider necessary for the purposes of our audit.

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

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the trustees' report.

The Companies Act 2006 requires us to report to you if, in our opinion, the disclosures of trustees' remuneration and transactions required by the Act are not made. We have nothing to report in this regard.

#### **Respective responsibilities**

##### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees 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 they 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 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Independent Auditors' report to the Trustees of**

**Changing Lives Housing Trust**

(continued)

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (England & Wales) 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.

**The purpose of our audit work and to whom we owe our responsibilities**

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



Tom Carolan, B.Comm., F.C.A.

28/5/19.

Date

For and on behalf of Tom Carolan & Co  
Chartered Accountants  
33 Austin Friars Street  
Mullingar  
Co. Westmeath  
Ireland  
N91 NR52



**APPENDIX TO THE INDEPENDENT AUDITOR'S REPORT**

**Further information regarding the scope of our responsibilities as auditor**

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As part of an audit in accordance with ISAs (England and Wales), we exercise professional judgement 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 from 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 on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 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 Auditor's 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 Auditor's Report. However, future events or conditions may cause the company to cease to continue as a going concern.
- 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.

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.

**Changing Lives Housing Trust**

**Statement of Financial Activities for the year ended 31st August 2018**

		<b>Unrestricted Fund 2018</b>	<b>Unrestricted Fund 2017</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Incoming Resources</b>			
Rental Income	3	1,972,853	1,342,771
Miscellaneous income		42,322	35,883
Bank Interest Received		43	2
<b>Total Incoming Resources</b>		<b>2,015,218</b>	<b>1,378,656</b>
<b>Resources Expended</b>			
<b>Charitable Activities</b>			
Direct charitable expenditure	6	1,950,577	1,277,369
<b>Governance costs</b>			
Audit fees and other governance costs		6,500	6,500
<b>Total Resources Expended</b>		<b>1,957,077</b>	<b>1,283,869</b>
<b>Net Incoming/(Outgoing) Resources</b>			
Transferred to/(from) trust funds	9	£58,141	£94,787

# Changing Lives Housing Trust

## Balance Sheet at 31st August 2018

	Notes	2018 £	2017 £
<b>Fixed Assets</b>			
At Net Book Value	7	9,323	11,653
<b>Current Assets</b>			
Trade debtors		49,585	19,711
Cash at bank and in hand		176,225	155,856
		<u>225,810</u>	<u>175,567</u>
<b>Less: Current Liabilities</b>			
Creditors falling due within one year	8	<u>30,366</u>	<u>40,594</u>
<b>Net Current Assets</b>		<u>£30,366</u>	<u>£40,594</u>
		195,444	134,973
<b>Total assets less current liabilities</b>		<u>£204,767</u>	<u>£146,626</u>
<b>Capital &amp; Reserves</b>			
Retained Funds	9	<u>204,767</u>	<u>146,626</u>
		<u>£204,767</u>	<u>£146,626</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Trustees  
and signed on behalf of the Trustees



Danielle Tumler

Osahan Okungbowa

Date of Approval

# **Changing Lives Housing Trust**

## **Cash Flow Statement for the year ended 31st August 2018**

### **Reconciliation of operating surplus to net cash inflows from operating activities**

	2018 £	2017 £
Operating (deficit) / surplus	58,098	94,785
Depreciation	2,330	2,913
Decrease/(Increase) in Debtors	(29,874)	(16,506)
Increase/(decrease) in creditors	(10,228)	27,953

### **Net cash flow from continuing operating activities**

<u>£20,326</u>	<u>£109,145</u>
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### **Expenditure on capital items**

#### Purchase of fixed assets

-	(9,748)
<u>£20,326</u>	<u>£99,397</u>

### **Cash Flow Statement**

#### Net cash flow from continuing operating activities

20,326	99,399
--------	--------

#### Returns on investment and servicing of finance (note A below)

43	2
<u>20,369</u>	<u>99,401</u>

#### Increase in cash

<u>£20,369</u>	<u>£99,401</u>
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### **Reconciliation of net cash flows to movement in net fund/(debt)**

#### Increase in cash in the period

20,369	99,401
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#### Opening cash reserves

155,858	56,457
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### **Net cash funds at 31st August 2018**

<u>£176,227</u>	<u>£155,858</u>
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### **Note A**

#### Returns on investment and servicing of finance

#### Bank Interest earned

43	2
<u>£43</u>	<u>£2</u>

**Changing Lives Housing Trust**

**Reconciliation of funds at 31st August 2018**

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<b>Funds at 1 September 2016</b>	<b>51,839</b>
<b>Result for the year</b>	<b><u>94,787</u></b>
<b>Funds at 1 September 2017</b>	<b>146,626</b>
<b>Result for the year</b>	<b>58,141</b>
<b>Funds at 31 August 2018</b>	<b><u>£204,767</u></b>

## **1 Company Status**

The Company is a registered charity no. 1134768, is limited by guarantee and has no share capital. In the event of a winding up of the Company, the Trustees are each liable to a maximum of £1

## **2 Accounting policies**

### **Statement of Compliance**

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". These are the first financial statements that comply with FRS 102. The transition to FRS 102 has not resulted in any changes to comparative prior year amounts.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

### **Basis of Preparation**

The financial statements have been prepared on the going concern basis under the historical cost convention. The reporting framework that has been applied in their preparation is the Companies Act 2006 and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland as issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in England and Wales.

### **Turnover**

Turnover represents rents received and receivable and arose in the United Kingdom.

### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is charged at the following rates to write off fixed assets over their estimated useful lives:

Fixtures & fittings	- 3 years straight line
Equipment	- 3 years straight line

### **Taxation**

The company is exempt from UK Corporation Tax to the extent that its profits are applied for charitable purposes.

### **PASE - Provisions available to smaller entities**

In common with many companies of similar size and nature, we use our auditors to assist in the preparation of the financial statements.

### **Accounting policies**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed, if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### **Cash and cash equivalents**

## **Changing Lives Housing Trust**

### **Notes to the Financial Statements for the year ended 31st August 2018**

(Continued)

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#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 (S.1A) to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

#### **Basic financial assets**

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

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

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

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

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

#### **Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

## Changing Lives Housing Trust

### Notes to the Financial Statements for the year ended 31st August 2018

(Continued)

#### 3 Rental income from charitable activities

Rental income is attributable to the Company's principal activity in the United Kingdom.

	<u>2018</u>	<u>2017</u>
4 Average Number of Employees		
The average number of employees was;	<u>14</u>	<u>7</u>

The Trustees were not remunerated.

#### 5 Taxation

The company is exempt from UK Corporation Tax to the extent that its profits are applied for charitable purposes.

	<u>2018</u>	<u>2017</u>
6 Direct Charitable expenditure	£	£
Consultancy	51,646	90,198
Staff costs	251,373	194,681
Property rent & leases	1,258,273	599,375
Property maintenance & expenses	229,484	300,240
Postage, stationery and advertising	2,191	1,128
Management and administration	33,862	19,903
Council tax	93,652	47,127
Light & Heat	14,935	5,246
Miscellaneous	10,440	16,558
Legal fees	2,391	-
Depreciation	2,330	2,913
	<u>£1,950,577</u>	<u>£1,277,369</u>



# Changing Lives Housing Trust

## Notes to the Financial Statements for the year ended 31st August 2018

(Continued)

### 7 Fixed Assets

	Fixtures & Fittings £	Equipment £	Total £
Cost at 1 September 2017	11,105	13,096	24,201
Additions at cost	-	-	-
Cost at 31 August 2018	<u>£11,105</u>	<u>£13,096</u>	<u>£24,201</u>
Depreciation at 1 September 2017	8,143	4,405	12,548
Charge for the year	592	1,738	2,330
Depreciation at 31 August 2018	<u>£8,735</u>	<u>£6,143</u>	<u>£14,878</u>
Net Book Value at 31 August 2018	<u>£2,370</u>	<u>£6,953</u>	<u>£9,323</u>
Net Book Value at 31 August 2017	<u>£2,962</u>	<u>£8,691</u>	<u>£11,653</u>

### 8 Creditors

	2018 £	2017 £
Trade creditors and accruals	30,366	38,050
Social security and other taxes	-	2,544
	<u>£30,366</u>	<u>£40,594</u>

### 9 Income and Expenditure Account

(Deficit)/Surplus of income over expenditure for the year	58,141	94,787
Funds at 1 September 2017	<u>146,626</u>	<u>51,839</u>
Funds at 31 August 2018	<u>£204,767</u>	<u>£146,626</u>

The funds comprise the following  
General Fund

204,767	146,626
<u>£204,767</u>	<u>£146,626</u>

### 10 Movement in Net Liquid Funds

	At 1 Sept 2017 £	Movement £	At 31 Aug 2018 £
Cash Balances	<u>£155,856</u>	<u>£20,369</u>	<u>£176,225</u>

### 11 Controlling entity

There is no overall controlling entity but the Trustees are in charge of the charity's affairs.

### 12 Events since the balance sheet date

There have been no events since the balance sheet date which might necessitate re-statement of the amounts in the financial statements

### 13 Capital commitments

There were no capital commitments at the balance sheet date.