

AMENDED

REGISTERED COMPANY NUMBER: 07400060 (England and Wales)
REGISTERED CHARITY NUMBER: 1139983

**Report of the Trustees and
Financial Statements
for the Year Ended 31 December 2021
for
Changing Lives Together**

Bennett Brooks & Co Limited
Chartered Accountants
& Statutory Auditors
St George's Court
Winnington Avenue
Northwich
Cheshire
CW8 4EE

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Changing Lives Together

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Changing Lives Together (Registered number: 07400060)

**Report of the Trustees
for the year ended 31 December 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of 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).

**Report of the Trustees
for the year ended 31 December 2021**

OBJECTIVES AND ACTIVITIES

Overview

We are a Social Enterprise committed to delivering meaningful environmental, social and community impact and making a difference to the people of Cheshire. We provide creative solutions to social and environmental issues. Structured as a charitable company, we aim to be financially sustainable through enterprise but our social impacts (the way we help change people's lives) are at the core of why we do what we do.

We work extensively within our community to support people through a variety of work, training and volunteering programmes for long term unemployed, those with learning difficulties, ex-offenders, vulnerable, disabled and the excluded and isolated. We help give back that self-esteem that is often lost when life's difficulties get on top of us.

2021 was a year of challenges, tough times but it also saw new and exciting projects taking shape. We further experienced the social and economic upheaval in society caused by the response to and recovery from the covid-19 coronavirus pandemic. We were also involved in other incidents affecting our community such as the floods in January 2021 in Northwich.

This disrupted our people, plans and stakeholders. As a charity we have evolved, responded, and survived. As people, we have all been touched by the grief and difficulties experienced by so many during the pandemic and the massive upheaval and change to both our personal and professional lives.

Operations & Retail

Affordable Furniture

Our warehouse team continued throughout the year to help the environment by collecting domestic Bulky Waste to reuse and recycle items that would otherwise be sent to landfill or other waste destinations. We work with our membership organisation, the Reuse Network, in providing "take-back" schemes for a number of national retailers where we help reduce waste as well as bringing damaged and "orphan" items back in to use. These activities of repair and "up-cycling" provide work placement opportunities for the individuals we support.

During 2021 we sold directly to the public as much as we could outside the enforced lockdown periods- at our Winsford Warehouse Store & Registered Office on the Winsford Industrial Estate, at our Winsford Outlet Store in the Winsford Cross shopping centre and at our Changing Lives in Ellesmere Port shop in the covered market.

Emergency Assistance

We operate contracts with Local Authorities and Housing Associations to provide their welfare assistance schemes. We supply starter packs, furniture and white goods to hundreds of people and families in need every year in Cheshire East, Cheshire West & Chester and Warrington. These schemes ensure those in need gain access to essential household items and receive an efficient delivery and installation process. In 2021, we supported over 2,500 families.

Bulky Waste

Not all large household waste goes to landfill. We are proud to support Cheshire West Recycling Limited and Warrington Borough Council in collecting bulky domestic waste - and we try and repair, reuse and recycle as much as we can.

Community engagement

Our Buddying and Befriending scheme has been successful in securing a grant from The National Lottery Community Fund from April 21 for a period of 3 years. This will enable us to continue our great work helping those who are over 50 living across Cheshire West and Cheshire East and are experiencing loneliness and social isolation. The service received 453 referrals and 295 matches in its first year to end of March 2022.

We also secured funding from the ICG's and CCG's for our Wellbeing support project. Sessions aim to support people whose quality of life is being affected by emotionally impactful issues such as low mood, anxiety, poor confidence and loss of routine. Many of these issues have affected people during the Covid-19 pandemic in particular; and for others, the pandemic has exacerbated issues which were already in place. The aim of the Wellbeing sessions is to enable clients to set personal goals and identify barriers that are currently preventing these goals from being reached. We have since received a second year of funding for the project.

Throughout the year our team of Family Support team continued their exceptional work in their school placements helping to help improve attendance, behaviour and achievement. They focus on early intervention, helping parents to develop the necessary coping skills and helping them to access a broad range of services. If our team can't help, they will put families in touch with somebody who can and arrange introductions.

The Cheshire Food Hub

Since starting out in 2020, the food hub has gone from strength to strength in its provision of food across Cheshire West. In receiving foods that are short shelf life, over supplied or donated we have kept food moving to food groups at a time of need supporting thousands of families and saving food from landfill.

**Report of the Trustees
for the year ended 31 December 2021**

In June 2021 we opened our own community shop and we are now serving an average of 120 shoppers per session, 3 times a week. Our shoppers pay £4 a shop and take away around £15-£20 of food, helping them stretch their budgets whilst reducing food waste. With the looming cost of living crisis this service will see a huge increase in demand and we are working hard with our partners to secure food for the whole community.

The other part of the work at the hub is the bringing together of volunteering opportunities. From warehousing, distribution, box projects, shop support, café service, gardening projects and building maintenance there is something for everyone. We have seen over 300 hundred volunteers come through the hub. Each one of our volunteers has been passionate about supporting their community.

Community Transport

We continued to operate our Community Transport minibus services, which is contracted by Cheshire West and Chester Council, with suitably adjusted routes and procedures for the changing circumstances we faced. The services we provide are Home to School, Adult Social Care, Dial A Ride and other contracts as required. These services provide, either free or subsidised, access to schools, care centres, the high street, leisure and other services for members of the community who might otherwise miss out. With over 5,000 school trips and over 6,000 adult social care trips, the team transported over 17,000 passengers in 2021.

How many lives did we change in 2021?

We made a difference to our community by:

- Arranging thousands of Community Transport journeys,
- Providing affordable furniture, electrical items, beds and bedding through our shops,
- Helping hundreds of people with a Buddy & Befriending pairs to reduce loneliness and isolation amongst the over 50's,
- Supporting many families in crisis across Cheshire and Warrington (working with 3 Local Authorities and their Local Welfare Assistance Schemes),
- Giving our people employment, training and development opportunities.

And we made a difference to the environment by:

- Saving over 585 tons of waste - commercial furniture & electrical waste - from landfill,
- Saving over 1,000 tons of CO2 from our atmosphere,
- Supporting 2,758 families with furniture and white goods.

All of this has only been possible by the hard work, sacrifice and dedication of so many of our people - staff, volunteers and friends - and donors and funding partners, particularly in local government. The trustees sincerely thank you all.

FINANCIAL REVIEW

Financial position

Our long-term policy has been to stand on our own feet with sustainable results and without excessive dependence on grant income. We reinvest when we can in our people and we are slowly building our reserves to a normal level for a charity of our size and complexity.

Total income in 2021 was £2,582,393 (2020 £2,361,432) and this generated a surplus of £224,190 (2020 £144,772).

In the course of 2021, we continued to repay according to schedule our blended grant / loan from Livv Investment and our Bounce Back Loan.

We also benefited from the various national business support schemes. Grants and donations included funds from The National Lottery, Cheshire Community Foundation, CCG's, Westminster Foundation, DEFRA and more. We are very grateful for every donation, no matter what size, which supports our work and our community.

To support colleagues on furlough we received further funds from the Coronavirus Job Retention scheme. The final payment was received in September 2021.

Investment policy

Available funds are transferred to interest bearing bank or building society accounts to maximise returns.

Reserves policy

The Trustees have agreed that the appropriate level of unrestricted liquid reserves should be sufficient to cover 3 months of routine expenditure i.e. to provide working capital to cover delays in the receipt of payments and grants and to provide a cushion for unexpected emergencies.

We are close to achieving this. Our reserves at 31 December 2021 were £561,745.

Re-appointment of the Auditors

In accordance with the Articles of Association the board has re-appointed the auditors, Bennett Brooks & Co Limited, for a further year.

**Report of the Trustees
for the year ended 31 December 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Incorporation and Objects

Changing Lives in Cheshire (charity 1139983 and company 07400060) was incorporated on 7 October 2010 and commenced trading on the same date. The principal governing document is the Articles of Association adopted on 21 March 2019.

The objects of the charity are:

1. The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage, in particular but not exclusively, by the provision of affordable furniture, recycled and reused items and the provision of training, voluntary positions and work experience.
2. The protection and preservation of the physical and natural environment in particular but not exclusively by the promotion of sustainable waste management practices.
3. To provide transport facilities in particular but not exclusively in Cheshire and the surrounding area for people who have special need of such facilities because they are elderly, poor or disabled, people with young children or those living in isolated areas where there are no adequate public transport facilities.

Trustees

We have a written policy for the recruitment and induction of new trustees that gives all candidates a fair chance to see us in action and to deliver efficient support on appointment.

Management and Governance

We continue to develop our Management and Governance structures. Since the merger with Cheshire Community Development Trust in 2019 the trustees have delegated the day-to-day running for the charity to the Chief Executive, Mike Jenkins.

In 2020 Gary Cliffe, formerly CEO then Head of Business Development, and one of two co-founders moved on to pastures new. We owe him a great deal and wish him well. In memory of Deina Smith, our other co-founder, and Gary's vision and incredible support over the years we have established a "Founders Fund". This will pay from time to time for the little extras our staff and volunteers may need to help them develop, or even just cope with what life throws at them.

Risk Management

The trustees have regard to the Charities Commission guidance on Public Benefit and a robust approach to Risk Management. The trustees monitor risk by ensuring that the identification, assessment and mitigation of risk is linked to the achievement of the charity's operational objectives.

The trustee board at each meeting reviews Health and Safety performance, Safeguarding and Management Information (financial and operational) with a review of current and future contractual obligations. The trustee board also reviews the financial impact of risk as part of operational budget planning and monitoring. Full consideration is given to the risks attached to significant new activities or opportunities, as is risk associated with external factors such as new legislation or new requirements from funders.

DORMANT SUBSIDIARY COMPANIES

The charity has three wholly owned dormant subsidiary companies:

Changing Lives in Cheshire Limited (registered in England & Wales number 11935815),
Changing Lives in Ellesmere Port Limited (registered in England & Wales number 11534973),
Changing Lives in Warrington Limited (registered in England & Wales number 9842887).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07400060 (England and Wales)

Registered Charity number

1139983

Registered office

Bridge Building, Unit 12
Road Two
Winsford Industrial Estate
Winsford
Cheshire
CW7 3QL

**Report of the Trustees
for the year ended 31 December 2021**

Trustees

Mrs H E L Dilliway-Nickson
Mr B G Dunn
Mr G Sherman (resigned 18.11.21)
Miss R Waterman (resigned 23.4.21)
Mr P Price
Mrs S M Tilling
Mrs S T Taylor (appointed 7.6.21)
M B Clarke (appointed 19.11.21)

Auditors

Bennett Brooks & Co Limited
Chartered Accountants
& Statutory Auditors
St George's Court
Winnington Avenue
Northwich
Cheshire
CW8 4EE

Bankers

Santander UK plc
Bridle Road
Merseyside
L30 4GB

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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 charitable 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 charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

Approved by order of the board of trustees on 29 September 2022 and signed on its behalf by:



Mr B G Dunn - Trustee

Report of the Independent Auditors to the Members of Changing Lives Together

Opinion

We have audited the financial statements of Changing Lives Together (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Report of the Independent Auditors to the Members of Changing Lives Together

Responsibilities of trustees

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

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

Our 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 a Report of the Independent Auditors 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.

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 Independent 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and regulations which govern the preparation of financial statements, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue, through management bias in manipulation of accounting estimates or accounting for significant transactions outside the normal course of business.

Audit procedures performed included:

- Enquiry of management around actual and potential litigation and claims and instances of non-compliance with laws and regulations;
- Auditing the risk of management override of controls, through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through

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

**Report of the Independent Auditors to the Members of
Changing Lives Together**

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jason Leach FCA (Senior Statutory Auditor)
for and on behalf of Bennett Brooks & Co Limited
Chartered Accountants
& Statutory Auditors
St George's Court
Winnington Avenue
Northwich
Cheshire
CW8 4EE

29 September 2022

Changing Lives Together

Statement of Financial Activities
for the year ended 31 December 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	7,229	-	7,229	5,557
Charitable activities					
Charitable activities		658,828	475,888	1,134,716	882,088
Other trading activities	4	1,372,767	-	1,372,767	1,211,895
Investment income	5	4,656	-	4,656	3,071
Other income		63,026	-	63,026	258,821
Total		<u>2,106,506</u>	<u>475,888</u>	<u>2,582,394</u>	<u>2,361,432</u>
EXPENDITURE ON					
Raising funds	7	952,395	-	952,395	678,905
Charitable activities	8				
Charitable activities		<u>929,921</u>	<u>475,888</u>	<u>1,405,809</u>	<u>1,537,755</u>
Total		<u>1,882,316</u>	<u>475,888</u>	<u>2,358,204</u>	<u>2,216,660</u>
NET INCOME		224,190	-	224,190	144,772
RECONCILIATION OF FUNDS					
Total funds brought forward		337,555	-	337,555	192,783
TOTAL FUNDS CARRIED FORWARD		<u><u>561,745</u></u>	<u><u>-</u></u>	<u><u>561,745</u></u>	<u><u>337,555</u></u>

The notes form part of these financial statements

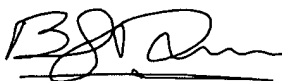
Changing Lives Together (Registered number: 07400060)

Balance Sheet
31 December 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	15	22,487	-	22,487	35,418
Investments	16	3	-	3	3
		<u>22,490</u>	<u>-</u>	<u>22,490</u>	<u>35,421</u>
CURRENT ASSETS					
Stocks	17	108,634	-	108,634	91,129
Debtors	18	202,093	-	202,093	344,390
Cash at bank		541,953	66,496	608,449	355,623
		<u>852,680</u>	<u>66,496</u>	<u>919,176</u>	<u>791,142</u>
CREDITORS					
Amounts falling due within one year	19	(189,980)	(66,496)	(256,476)	(417,489)
		<u>662,700</u>	<u>-</u>	<u>662,700</u>	<u>373,653</u>
NET CURRENT ASSETS					
		<u>662,700</u>	<u>-</u>	<u>662,700</u>	<u>373,653</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		685,190	-	685,190	409,074
CREDITORS					
Amounts falling due after more than one year	20	(123,445)	-	(123,445)	(71,519)
		<u>561,745</u>	<u>-</u>	<u>561,745</u>	<u>337,555</u>
NET ASSETS					
		<u>561,745</u>	<u>-</u>	<u>561,745</u>	<u>337,555</u>
FUNDS	23				
Unrestricted funds				561,745	337,555
TOTAL FUNDS				<u>561,745</u>	<u>337,555</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 29 September 2022 and were signed on its behalf by:



Mr B G Dunn - Trustee

Changing Lives Together

**Cash Flow Statement
for the year ended 31 December 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	214,317	184,930
Interest paid		(8,298)	(896)
Net cash provided by operating activities		<u>206,019</u>	<u>184,034</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,148)	(1,570)
Interest received		421	544
Net cash used in investing activities		<u>(727)</u>	<u>(1,026)</u>
Cash flows from financing activities			
New loans in year		79,653	50,000
Loan repayments in year		(32,119)	(26,161)
Net cash provided by financing activities		<u>47,534</u>	<u>23,839</u>
Change in cash and cash equivalents in the reporting period		<u>252,826</u>	<u>206,847</u>
Cash and cash equivalents at the beginning of the reporting period		<u>355,623</u>	<u>148,776</u>
Cash and cash equivalents at the end of the reporting period		<u><u>608,449</u></u>	<u><u>355,623</u></u>

The notes form part of these financial statements

Changing Lives Together

Notes to the Cash Flow Statement for the year ended 31 December 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	224,190	144,772
Adjustments for:		
Depreciation charges	14,079	17,126
Interest received	(421)	(544)
Interest paid	8,298	896
Increase in stocks	(17,505)	(50,940)
Decrease/(increase) in debtors	142,297	(50,859)
(Decrease)/increase in creditors	(156,621)	124,479
Net cash provided by operations	<u><u>214,317</u></u>	<u><u>184,930</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21	Cash flow	At 31.12.21
	£	£	£
Net cash			
Cash at bank	355,623	252,826	608,449
	<u>355,623</u>	<u>252,826</u>	<u>608,449</u>
Debt			
Debts falling due within 1 year	(36,896)	4,392	(32,504)
Debts falling due after 1 year	(71,519)	(51,926)	(123,445)
	<u>(108,415)</u>	<u>(47,534)</u>	<u>(155,949)</u>
Total	<u><u>247,208</u></u>	<u><u>205,292</u></u>	<u><u>452,500</u></u>

Changing Lives Together

Notes to the Financial Statements for the year ended 31 December 2021

1. STATUTORY INFORMATION

Changing Lives Together is a private company, limited by guarantee, registered in England and Wales. The company's registered number, registered charity number and registered office can be found in the Reference and Administrative Details section of the Trustees' Report.

The presentation currency of the financial statements is Pounds Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Changing Lives Together meets the definition of a public benefit entity under FRS 102.

The charitable company has a number of dormant subsidiary companies which have been dormant since incorporation, consolidated accounts have not been prepared as no material effect would be present in the Statement of Financial Activities or Balance Sheet.

These represent amended accounts following a reclassification of deferred income between general and restricted funds.

Going Concern

The charitable company meets its day to day working capital requirements through its cash resources and available loan facilities. The trustees have reviewed current and forecast activity and cash requirements for a period of at least 12 months from the date of the signing of the financial statements which show, taking into account reasonably possible changes in performance and any potential impact from the Coronavirus pandemic, that the charitable company should be able to operate within its available cash resources. After making enquiries, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

Income

The policies adopted for the recognition of income are as follows:

Sale of goods

Income from the sale of goods is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of income can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on dispatch of the goods.

Rendering of services

When the outcome of a transaction can be estimated reliably, income is recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to a notable milestone.

Where the outcome cannot be measured reliably, income is recognised only to the extent of the expenses recognised that are recoverable.

Grants

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Goodwill

Goodwill relates to the amount paid in connection with the acquisition of a business, and is now fully amortised.

Notes to the Financial Statements - continued
for the year ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Plant and machinery	- 20% on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition. Stocks of unsold donated goods are valued only at the cost of bringing the items to their present location as it is not considered practical to estimate the fair value due to their cost being nil and their value is uncertain until sold.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Short term debtors and creditors

Short term debtors and creditors with no stated interest rate are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, cash held with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

Changing Lives Together

Notes to the Financial Statements - continued for the year ended 31 December 2021

3. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	7,229	5,557

4. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Shop income	1,038,429	926,944
Waste credits, recycling, scrap and waste collection	327,138	278,741
Training and work experience	7,200	6,210
	<u>1,372,767</u>	<u>1,211,895</u>

5. INVESTMENT INCOME

	2021	2020
	£	£
Rents received	4,235	2,527
Interest receivable	421	544
	<u>4,656</u>	<u>3,071</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021	2020
		£	£
Transport	Charitable activities	416,723	461,429
Grants	Charitable activities	717,993	420,659
		<u>1,134,716</u>	<u>882,088</u>

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Grants	<u>717,993</u>	<u>420,659</u>

7. RAISING FUNDS

Other trading activities

	2021	2020
	£	£
Opening stock	91,129	40,189
Purchases	689,860	567,285
Closing stock	(108,634)	(91,129)
Hire of plant and machinery	7,437	8,097
Vehicle hire	60,424	57,959
Licences	4,129	2,479
Bad debts	12,000	974
Motor expenses	72,014	74,571
Sub contractors	81,427	-
Other direct costs	42,609	18,480
	<u>952,395</u>	<u>678,905</u>

Changing Lives Together

Notes to the Financial Statements - continued for the year ended 31 December 2021

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 9) £	Totals £
Charitable activities	<u>1,379,708</u>	<u>26,101</u>	<u>1,405,809</u>

9. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Charitable activities	<u>2,309</u>	<u>23,792</u>	<u>26,101</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Auditors' remuneration	17,622	8,500
Depreciation - owned assets	14,079	17,126
Hire of plant and machinery	7,437	8,985
Other operating leases	<u>156,088</u>	<u>165,530</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

12. STAFF COSTS

	2021 £	2020 £
Wages and salaries	1,081,578	1,167,453
Social security costs	57,096	69,747
Other pension costs	<u>16,995</u>	<u>20,206</u>
	<u>1,155,669</u>	<u>1,257,406</u>

The average monthly number of employees during the year was as follows:

	2021	2020
Management team	5	6
Warehouse/reuse	24	24
Administrative	9	11
Retail	5	6
Community hubs	3	11
Community engagement	12	19
Community transport	<u>17</u>	<u>-</u>
	<u>75</u>	<u>77</u>

No employees received emoluments in excess of £60,000 (2020: £60,000).

Total emoluments for key management personnel totalled £197,808 (2020: £195,103).

Notes to the Financial Statements - continued
for the year ended 31 December 2021

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	5,557	-	5,557
Charitable activities			
Charitable activities	489,619	392,469	882,088
Other trading activities	1,211,895	-	1,211,895
Investment income	3,071	-	3,071
Other income	258,821	-	258,821
Total	<u>1,968,963</u>	<u>392,469</u>	<u>2,361,432</u>
EXPENDITURE ON			
Raising funds	678,905	-	678,905
Charitable activities			
Charitable activities	<u>1,145,286</u>	<u>392,469</u>	<u>1,537,755</u>
Total	<u>1,824,191</u>	<u>392,469</u>	<u>2,216,660</u>
NET INCOME	144,772	-	144,772
RECONCILIATION OF FUNDS			
Total funds brought forward	192,783	-	192,783
TOTAL FUNDS CARRIED FORWARD	<u>337,555</u>	<u>-</u>	<u>337,555</u>

14. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2021 and 31 December 2021	<u>6,157</u>
AMORTISATION	
At 1 January 2021 and 31 December 2021	<u>6,157</u>
NET BOOK VALUE	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>-</u>

Changing Lives Together

Notes to the Financial Statements - continued for the year ended 31 December 2021

15. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2021	58,878	6,791	33,297	98,966
Additions	1,148	-	-	1,148
At 31 December 2021	60,026	6,791	33,297	100,114
DEPRECIATION				
At 1 January 2021	33,958	6,292	23,298	63,548
Charge for year	5,455	229	8,395	14,079
At 31 December 2021	39,413	6,521	31,693	77,627
NET BOOK VALUE				
At 31 December 2021	20,613	270	1,604	22,487
At 31 December 2020	24,920	499	9,999	35,418

16. FIXED ASSET INVESTMENTS

The charity owns 100% of the Ordinary share capital in the below three companies. Each of the companies has been dormant from incorporation.

- Changing Lives in Cheshire Limited (11935815)
- Changing Lives in Ellesmere Port Limited (11534973)
- Changing Lives in Warrington Limited (9842887)

17. STOCKS

	2021 £	2020 £
Stocks	108,634	91,129

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	167,356	267,027
Other debtors	10,352	56,710
Prepayments	24,385	20,653
	202,093	344,390

Changing Lives Together

Notes to the Financial Statements - continued
for the year ended 31 December 2021

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other loans (see note 21)	32,504	36,896
Trade creditors	46,635	60,533
Social security and other taxes	26,882	88,492
VAT	6,556	15,794
Other creditors	2,920	15,605
Deposits held on account	22,723	56,227
Accrued expenses and deferred income	118,256	143,860
Deina Smith bursary	-	82
	<u>256,476</u>	<u>417,489</u>

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Other loans (see note 21)	<u>123,445</u>	<u>71,519</u>

21. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>32,504</u>	<u>36,896</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>34,251</u>	<u>36,519</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>89,194</u>	<u>35,000</u>

22. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	56,190	61,606
Between one and five years	217,800	14,274
In more than five years	117,975	-
	<u>391,965</u>	<u>75,880</u>

23. MOVEMENT IN FUNDS

	At 1.1.21	Net movement in funds	At 31.12.21
	£	£	£
Unrestricted funds			
General fund	337,555	224,190	561,745
	<u>337,555</u>	<u>224,190</u>	<u>561,745</u>

Changing Lives Together

Notes to the Financial Statements - continued
for the year ended 31 December 2021

23. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,106,506	(1,882,316)	224,190
Restricted funds			
Break Free Grant	9,608	(9,608)	-
Groundworks	33,000	(33,000)	-
Family support	94,851	(94,851)	-
National Lottery Community Fund	91,943	(91,943)	-
Edsential community	147,691	(147,691)	-
DEFRA - Food hub	32,385	(32,385)	-
Wellbeing	28,507	(28,507)	-
Slowcooker Grant	37,903	(37,903)	-
	<u>475,888</u>	<u>(475,888)</u>	<u>-</u>
TOTAL FUNDS	<u>2,582,394</u>	<u>(2,358,204)</u>	<u>224,190</u>

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	192,783	144,772	337,555
TOTAL FUNDS	<u>192,783</u>	<u>144,772</u>	<u>337,555</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,968,963	(1,824,191)	144,772
Restricted funds			
Tudor Grant	4,167	(4,167)	-
Break Free Grant	2,350	(2,350)	-
Brightlife	18,835	(18,835)	-
Groundworks	41,970	(41,970)	-
Family support	72,260	(72,260)	-
National Lottery Community Fund	154,374	(154,374)	-
Edsential community	78,977	(78,977)	-
DEFRA - Food hub	19,536	(19,536)	-
	<u>392,469</u>	<u>(392,469)</u>	<u>-</u>
TOTAL FUNDS	<u>2,361,432</u>	<u>(2,216,660)</u>	<u>144,772</u>

Changing Lives Together

**Notes to the Financial Statements - continued
for the year ended 31 December 2021**

24. RELATED PARTY DISCLOSURES

During the year the charity received donations totalling £Nil (2020: £10,000) from a company that Gordon Dunn is also a director of.