

RECYCLING LIVES CHARITY
ANNUAL REPORT
AND
FINANCIAL STATEMENTS FOR
THE YEAR ENDED APRIL 30 2021

**RECYCLING LIVES CHARITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30 2021**

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**RECYCLING LIVES CHARITY
ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED APRIL 30 2021**

DIRECTORS/TRUSTEES

Name	Appointed/Resigned
W Fletcher	Resigned 20/07/20
C Jackson	
B Mayne	
D Snape	
J B Taylor (Chair)	Appointed 02/04/21
C M Whalley-Hunter	
N Whittle	

SENIOR MANAGEMENT TEAM

Chief Executive	*A B Jackson
Head of Operations	*T R Carysforth
Head of Rehabilitation	*B J Flanagan
Head of Residential	N Flanagan
Food Distribution Manager	*J Green

(* are employed by the subsidiary company)

**REGISTERED OFFICE AND
PRINCIPAL PLACE OF BUSINESS**

1a Essex Street
Preston
Lancashire
PR1 1QE

AUDITORS

Chittenden Horley
HGA Accountants & Financial Consultants Ltd
Chartered Accounts and Statutory Auditors
456 Chester Road
Old Trafford
Manchester M16 9HD

SOLICITORS

Brabners LLP
55 King Street
Manchester M2 4LQ

BANKERS

Allied Irish Bank
4 Hardman Street
Manchester M3 3HF

**RECYCLING LIVES CHARITY
TRUSTEES' AND DIRECTORS' ANNUAL
FOR THE YEAR ENDED APRIL 30 2021**

The trustees present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ended April 30 2021. Although the accounting reference date is to April 29th, for administrative reasons the accounts have been prepared to April 30th.

REPORTING FRAMEWORK

The trustees' annual report and financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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 (FRS102) (effective 1 January 2019), referred to as the Charities SORP (FRS 102) (second edition – October 2019).

OBJECTS AND ACTIVITIES

Charitable Objects are set out in the Articles of Association as follows.

1.1 The Charity's Objects are the promotion for the public benefit of urban or rural regeneration in areas of social and economic deprivation (and in particular, but not limited to, Lancashire) by all or any of the following means:

1.1 the relief of poverty in such ways as may be thought fit;

1.1.2 the relief of unemployment in such ways as may be thought fit, including assistance to find employment;

1.1.3 the advancement of education, training or retraining, particularly among unemployed people, and providing unemployed people with work experience;

1.1.4 the provision of financial assistance, technical assistance, or business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help

1.1.4.1. in setting up their own business, or

1.1.4.2. to existing businesses;

1.1.5 the creation of training and employment opportunities by the provision of workspace, buildings and/or land for use on favourable terms;

1.1.6 the provision of housing for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing;

1.1.7 the maintenance, improvement or provision of public amenities;

1.1.8 the preservation of buildings or sites of historic or architectural importance;

1.1.9 the provision or assistance in the provision of recreational facilities for the public at large and/or those who, by reasons of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities;

1.1.10 the protection or conservation of the environment;

1.1.11 the promotion of public safety and prevention of crime; and

1.1.12 such other means as may from time to time be determined subject to the prior consent of the Charity Commission for England and Wales.

ACTIVITIES

The charity undertakes the following activities either itself or through its subsidiary company in pursuit of its objectives:

- Accommodation and rehabilitation programme for ex-offenders and ex-homeless
- Training and work experience within prisons and the community through recycling work
- Training placement and mentoring programme
- Food distribution programme
- Running a café to provide work, work experience and training for ex-offenders and ex-homeless people
- Other environmental projects

AIMS FOR 2020/21

Once again, the aims of the Recycling Lives Charity and our Social Enterprise remained simple; to be there to help people be the best they can be. That never really changes. Our three main programmes of food redistribution, rehabilitation and residential will continue to provide quality assistance to those who need us.

However, we need to recognise that we are in the unprecedented situation of a global pandemic. Clearly that changes many things.

So, put simply, there are 3 aims for this year.

1. To ensure that we protect the jobs and wellbeing of all staff and volunteers through Covid.
2. To continue to offer the support to our participants and recipients through whatever means we can. That will mean diversification in communication methods at times and using non face to face interventions where necessary. Key is that we strive at all times to do the best we possibly can for all.
3. To closely monitor the financial standing of the organisation and look for ways to diversify the income where our more normal streams have been temporarily closed to us. The be all and end all is that we are still here post-pandemic and able to deliver our current programmes and more.

ACHIEVEMENTS AND PERFORMANCE

We began the financial year with all of our prison workshops closed, the residential programme in lockdown, the community programmes unable to function, and a food distribution centre (FDC) which was struggling to cope with the ever-growing needs of the people suffering food poverty throughout Lancashire and Cumbria.

We had many operational staff on furlough as their workplaces were locked down. That meant the recycling income from our prison workshops dropped to zero for a very long period. The community café was also shut. That accounted for over 60% of our normal income.

We couldn't just close the food redistribution centre though. The need was growing by the day. However, many of the volunteers upon whom we rely so much had to self-isolate to stay safe which meant the ever-growing need was being fulfilled by an ever shrinking workforce.

Clearly a residential programme cannot simply be shut or mothballed. Instead, we created a bubble environment which enabled the work to carry on.

What about the prison leavers and the men and women in our community programmes who still needed help with employment, accommodation, and pastoral issues? Those problems were magnified by the pandemic, so we needed to create new ways of communicating from home by using virtual technology and phone.

How did we do it without 60% of our income? Through the dedication of our team and by leaving no financial opportunity unturned. For the first time, we learned how to write grant applications and spoke to funders about our work. It paid off. Grant income rose and we were also able to re-allocate and bring forward money from a grant from the National Lottery Community Fund. This enabled us to pay the wages and the bills at a basic level.

We didn't stop there though. We looked at everything we did and searched for improvements. Not cutting, improving. So we took advantage of the money that became available and invested in new capital projects to make things work better. New racking, chillers, freezers and vehicles were funded for the FDC. That took some of the strain away from the team. We put new systems in which made the process easier and meant we could work with the increased quantities of food we needed to provide.

Similarly, we sought donations which have enabled us to completely revamp the residential area. The new kitchen and laundry areas have helped transform the offer.

RECYCLING LIVES CHARITY TRUSTEES' AND DIRECTORS' ANNUAL FOR THE YEAR ENDED APRIL 30 2021

We knew we had to do something about our recycling contracts, so we worked hard to temporarily redirect some stock away from prisons. Some went to partner organisations, but we were gifted temporary warehouse space of our own too. That meant we were able to open a new community workshop in Preston doing the same work as the mothballed prison workshops but in the community. It didn't replace the lost income, but it helped.

Our partners supported us too. We were able to get rent holidays and rent cancellations of rent to help us through difficult periods.

A gamechanger for us was the negotiation of a unique and long-term sponsorship deal with our partner Recycling Lives Ltd. This money has allowed us to pay off an historic loan to them but furthermore, helped to secure our future financial solidity. Not only that, it will enable us to grow the teams and the offer.

As the financial year progressed into 2021 things began to ease. Prison workshops began to tentatively reopen. Face to face consultations with participants were possible again. The improvements in the FDC started to really bear fruit. We entered a space where we were growing back again but with the added advantage of having diversified our income streams. Oddly, we were in a better place.

The teams, too, had come together, worked better and communicated more. Old metaphorical departmental walls were knocked down as people worked across the whole organisation for the common good.

Did it work for the people we are here to help? Some of the highlights...

- All of the men in the residential programme have moved out and into work and their own accommodation.
- 85 men and women who were released from prison were supported into work. In the middle of a pandemic!!
- 35 people who had been long term unemployed moved into training and work placements.
- We redistributed over 1250 tonnes of surplus food to those who really needed it. That's the equivalent of over 3 million meals across Lancashire and Cumbria.
- The reoffending rate for our prison leavers remained at under 5% for another year.

When you consider the background against which we were working these achievements are incredible. They are a testament to the adaptability, resilience, skill and sheer hard work of the people within this amazing organisation.

It will be noted that, despite all of the obstacles put in front of us, we have ended the year in a substantially better financial position than ever before. For the first time we are in a position to plan for substantial growth. Whilst that money looks good in the accounts, we need to use it wisely.

FINANCIAL REVIEW

Overview

The Group delivered a surplus for the year on unrestricted funds, after transfers, of £743,041 (2020: surplus - £203,910 and the charity had a surplus of £760,477 (2020: deficit - £14,936). Overall, the trustees are pleased with group's performance which has contributed significantly to securing its financial stability.

Subsidiary company – Recycling Lives (Social Enterprises) Ltd (RLSE)

With the exception of the accommodation programme, substantially all the activities are undertaken by the subsidiary RLSE, including some which could be considered charitable.

The directors and charity trustees are undertaking regular reviews of the activities carried out by RLSE to ensure that only low risk, fully funded and/or profitable activities, which are appropriate for it to undertake as the subsidiary of a charity, are continued.

RLSE eliminated the deficit on its funds in 2019/20 meaning that has been able to make a payment to the Charity of its taxable profits for that year of c£67k under gift aid, and for 2020/21 c£755k.

Principal Funding Sources

The charity is mainly funded via its wholly owned subsidiary Recycling Lives (Social Enterprises) Ltd (RLSE), through its various income generating activities. During the pandemic some of those income streams were negatively affected, and both the charity and its subsidiary were able to attract funding and donations to cover those gaps.

RLSE has a diverse range of funding streams including the National Lottery and commercial arrangements with Recycling Lives Limited for recycling work, which it carries out in prisons and community workshops, and social value sponsorship.

Going concern

In the opinion of the Trustees, there is no material uncertainty regarding the charity's or charity group's ability to continue as a going concern. The Trustees note the dramatically improved financial performance of the group in 2020/21 which has enabled us to hit our desired reserves figure. It is anticipated that sensible spending and growth will follow which will mean the charity remains financially sound.

Risk Management

The Trustees regularly review the risks to which the charity is exposed and seek to apply appropriate strategies to mitigate, lay-off and manage these risks.

The Trustees consider that the current practices and future plans to respond to these risks are appropriate and that, as a result, such risks are being effectively managed.

Reserve Policy

During the year the Trustees have reviewed their policy for financial reserves. The target of free reserves (unrestricted funds not invested in fixed assets or otherwise designated) was set at £200k.

At April 30 2021, the charity's free reserves were £760,725. The trustees are in the process of formulating plans for the use of the reserves above the target level.

FUTURE PLANS

We have set aside a reserves figure to cover for future unforeseen events and, in addition we have planned for the following:

- We are investing in the team. We plan to take on extra staff to bolster and improve all programmes. This will give us good succession planning but also enable us to do more.
- For the first time we will be able to bring in people at trainee level and bring them through to senior positions.
- We will be able to increase the teams add much needed cover but also to allow us to develop into more specialisms like drug and alcohol workers.
- We will look to expand the community and prison offers by learning from what we've already done and bringing that knowledge to other locations.
- We will invest in training for the team so that they are continuously learning and improving.
- We will learn from our diversification of activity and explore new opportunities. First on the agenda is partnering with 5 new prisons in different locations. By doing this we will be able to substantially grow the number of people we can help. We'll follow that up with a new training kitchen to work alongside the FDC.
- More opportunities which may previously have passed us by will be able to be looked at and implemented.

All of this needs to be done wisely. We are well aware that the pandemic actually brought us financial opportunities which may never come again. We cannot expect the flurry of grant income to repeat ad infinitum. Sensible and well thought out growth is key and we believe this will organically lead to more opportunities for the men and women we help.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is a charitable company limited by guarantee, established by its Memorandum of Association and is governed under its Articles of Association dated April 13 2006, as amended by special resolution dated July 4 2006 and further amended by special resolution dated 24th July 2019.

Members of the company

Following the latest change to the Articles of Association, the membership of the company is restricted to the trustees and terminates if a member ceases to be a trustee, except that, if retiring at an AGM, all the trustees remain members until the conclusion of the meeting.

Recruitment and Appointment of Trustees/Directors

The Directors who served during the year together with any changes are listed on page one of the annual report. The Directors are appointed by the members at the AGM or are co-opted by the trustees. All trustees retire at the AGM and are eligible for re-election.

Trustees are recruited with regard to the skills needed by the charity.

Induction

Trustees are inducted by spending time with senior management and visiting the various aspects of the charity. They are also given a pack of documentation consisting of policies, recent minutes and reports.

Organisation

The Board of Directors meets as necessary, and not less than four times a year. The quorum for a meeting of the Trustees is the greater of two or one third of their number. The Board is responsible for the strategic direction and policy of the charity.

The day to day operation of the charity is the responsibility of the Chief Executive and the other members of the senior management who together with the Trustees constitute the key management personnel of the charity. The members of senior management are listed on page 1.

Pay and remuneration for senior staff

Senior staff salaries are reviewed annually and benchmarked against other charities and social enterprises. Recommendations are then given to trustees for sign off each year.

Related party transactions

Whilst the charitable group maintains a healthy relationship with Recycling Lives Ltd., the previous in-kind support which was received has ceased. All transactions are now formal and contracted for services.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102) (second edition – October 2019);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 charitable company will continue in operation.

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

STATEMENT OF DISCLOSURE TO AUDITORS

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

SMALL COMPANY PROVISIONS AND APPROVAL

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board of Trustees and signed on its behalf by:

J B Taylor

J B TAYLOR

Chair of Board

Date: November 25 2021

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS AND TRUSTEES OF RECYCLING LIVES CHARITY
FOR THE YEAR ENDED APRIL 30 2021**

Opinion

We have audited the financial statements of Recycling Lives Charity (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended April 30 2021 which comprise SOFA, balance sheet, cashflow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 parent charitable company's affairs as at April 30 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group's or 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.

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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS AND TRUSTEES OF RECYCLING LIVES CHARITY
FOR THE YEAR ENDED APRIL 30 2021**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report and the]⁷ directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 [prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, set out in the Directors' and Trustees' Annual Report, the trustees (who are also the directors of the parent 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 groups and 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

Our approach to identifying and assessing the risks in respect of irregularities and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognize non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the directors and other management, and from our commercial knowledge and experience of the computer manufacturing and supply sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statement to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- Understanding the design of the company's remuneration policies.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS AND TRUSTEES OF RECYCLING LIVES CHARITY
FOR THE YEAR ENDED APRIL 30 2021**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing the financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to the actual and potential litigation claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

No instances of material non-compliance were identified. However, there are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Smith

Peter Smith – Senior Statutory Auditor

For and on behalf of:
HGA Accountants & Financial Consultants t/a Chittenden Horley
Chartered Accountants and Statutory Auditors
456 Chester Road
Old Trafford
Manchester M16 9HD

Date: 25/11/21



HGA Accountants & Financial Consultants t/a Chittenden Horley is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

RECYCLING LIVES CHARITY
GROUP STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account)
FOR THE YEAR ENDED APRIL 30 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
INCOME					
Incoming resources from generated funds:					
Donations	2	304,443	37,498	341,941	238,988
Charitable activities	3	1,280,306	-	1,280,306	1,977,348
Other trading activities	4	679,403	-	679,403	-
TOTAL INCOMING RESOURCES		2,264,152	37,498	2,301,650	2,216,336
EXPENDITURE					
Costs of raising funds	6	16,156	-	16,156	44,771
Expenditure on charitable activities	7	1,521,610	25,404	1,547,014	1,981,192
TOTAL EXPENDITURE		1,537,766	25,404	1,563,170	2,025,963
NET INCOME/(EXPENDITURE)					
BEFORE TRANSFERS	10	726,386	12,094	738,480	190,373
Transfers between funds	16	16,655	(16,655)	-	-
NET INCOME/(EXPENDITURE)					
AFTER TRANSFERS		743,041	(4,561)	738,480	190,373
TOTAL FUNDS					
Brought forward	16	199,045	4,561	203,606	13,233
Carried forward	16	942,086	-	942,086	203,606

The notes on pages 16 to 29 form part of these financial statements.

RECYCLING LIVES CHARITY
CHARITY STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account)
FOR THE YEAR ENDED APRIL 30 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Incoming resources from generated funds:					
Donations	2	934,811	37,498	972,309	97,460
Charitable activities	3	52,834	-	52,834	46,402
TOTAL INCOME		987,645	37,498	1,025,143	143,862
EXPENDITURE					
Costs of raising funds	6	-	-	-	-
Expenditure on charitable activities	7	243,823	25,404	269,227	142,463
TOTAL EXPENDITURE		243,823	25,404	269,227	142,463
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		743,822	12,094	755,916	1,399
Transfers between funds	16	16,655	(16,655)	-	-
NET MOVEMENT IN FUNDS		760,477	(4,561)	755,916	1,399
TOTAL FUNDS					
Brought forward	16	61,795	4,561	66,356	64,957
Carried forward	16	822,272	-	822,272	66,356

The notes on pages 16 to 29 form part of these financial statements.

**RECYCLING LIVES CHARITY
GROUP BALANCE SHEET
FOR THE YEAR ENDED APRIL 30 2021**

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible Assets	11		258,220		248,367
CURRENT ASSETS					
Debtors	13	641,720		354,204	
Cash at Bank and in Hand		<u>734,349</u>		<u>531,094</u>	
		1,376,069		885,298	
CREDITORS					
Amounts falling due in one year	14	<u>630,631</u>		<u>623,811</u>	
NET CURRENT ASSETS					
			<u>745,438</u>		<u>261,487</u>
			1,003,658		509,854
CREDITORS					
Amounts falling due in more than 1 year	15		61,572		306,248
NET ASSETS					
			<u>942,086</u>		<u>203,606</u>
FUNDS					
Unrestricted					
General fund	16		897,086		199,045
Designated fund			45,000		
Restricted	16		-		4,561
TOTAL FUNDS			<u>942,086</u>		<u>203,606</u>

The notes on pages 16 to 29 form part of these financial statements.

Approved by the Board of Directors and authorised for issue on 25/11/21

And signed on their behalf by:

J B Taylor

J B Taylor – Chair of board

Company registration number: 05781363

**RECYCLING LIVES CHARITY
CHARITY BALANCE SHEET
FOR THE YEAR ENDED APRIL 30 2021**

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible Assets	11		16,447		2,443
Investments	12		<u>100</u>		<u>100</u>
			16,547		2,543
CURRENT ASSETS					
Debtors	13	636,243		26,525	
Cash at Bank and in Hand		<u>188,167</u>		<u>85,788</u>	
		824,410		112,313	
CREDITORS					
Amounts falling due in one year	14	<u>18,685</u>		<u>48,500</u>	
NET CURRENT ASSETS					
			805,725		63,813
			822,272		66,356
NET ASSETS					
			<u>822,272</u>		<u>66,356</u>
FUNDS					
Unrestricted					
General fund	16		822,272		61,795
Restricted	16		<u>-</u>		<u>4,561</u>
TOTAL FUNDS			<u>822,272</u>		<u>66,356</u>

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

The notes on pages 16 to 29 form part of these financial statements.

Approved by the Board of Directors and authorised for issue on 25/11/21

And signed on their behalf by:

J B Taylor

J B Taylor – Chair of board

Company registration number: 05781363

**RECYCLING LIVES CHARITY
GROUP AND CHARITY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30 2021**

		Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
	notes				
Cash generated from/(used in) operating activities	18	562,475	224,172	119,034	2,636
Cashflows from investing activities					
Purchase of tangible fixed assets		(114,543)	(84,082)	(16,655)	-
Cash provided by/(used in) investing activities		(114,543)	(84,082)	(16,655)	-
Cashflows from financing activities					
Proceeds from new borrowings - finance leases		-	-	-	-
Other creditors written off		-	186,634	-	-
Repayment of borrowing - finance leases		(244,677)	(52,494)	-	-
Cash used in financing activities		(244,677)	134,140	-	-
Increase/(decrease) in cash & cash equivalents in the year		203,255	274,230	102,379	2,636
Cash and cash equivalents brought forward		531,094	256,864	85,788	83,152
Cash and cash equivalents carried forward		734,349	531,094	188,167	85,788
Cash and cash equivalents consist of:					
Cash at bank and in hand		734,349	531,094	188,167	85,788
Current asset investments		734,349	531,094	188,167	85,788

The notes on pages 16 to 29 form part of these financial statements.

1 ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements have been prepared: under the historic cost convention; in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective January 1 2019 (second edition – October 2019); FRS102; and the Companies Act 2006. The charity constitutes a public benefit entity as defined by FRS102.

The accounts are prepared in £ sterling, which is the functional currency.

1.2 Income recognition

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. The following applies to particular types of income:

Grants - whether of a capital or revenue nature, are recognised when the charity has entitlement to the funds, any performance conditions have been met and it is probable that the income will be received.

Donations - from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

Rendering of services – turnover derived from rendering services is recognised by reference to the stage of completion of contract. The stage completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

Deferred income

Income is only deferred and included in creditors when:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and there is no contractual entitlement to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded

1.3 Expenditure and irrecoverable VAT

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

Costs of raising funds	including those associated with fundraising activities, managing investments and commercial trading by the subsidiary company.
Charitable activities	costs of undertaking the work of the charity.

The charity is not registered for VAT, and costs are stated inclusive of VAT where charged.

The subsidiary is registered for VAT and is able to recover some of the input tax charged as it relates to VATable supplies. Costs are stated net of VAT where charged.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are carried at costs, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Depreciation rates, all straight line, are as follows:

Leasehold property improvements	25% Straight line
Plant & Machinery	25% Straight line
Catering equipment, fixtures & fittings	10%/25% Straight line
Motor vehicles	25% Straight line
IT equipment	25% Straight line

1.5 Debtors

Trade and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

1.6 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.

1 ACCOUNTING POLICIES (continued)

1.7 Creditors and provisions

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

1.8 Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and 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 end of the reporting period.

Current tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

There is no liability to income tax in the subsidiary because it donates its taxable profits to the charity. The charity is exempt from income tax.

1.9 Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

All the financial instruments in these accounts are considered to be basic financial instruments.

1.10 Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary on a line by line basis.

RECYCLING LIVES CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED APRIL 30 2021

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
2 DONATIONS						
GROUP						
As below	112,220	37,498	149,718	90,580	6,880	97,460
Donation - Commercial group	-	-	-	118,764	-	118,764
Donations	40,780	-	40,780	-	-	-
HMRC - CJRS grant	151,443	-	151,443	22,764	-	22,764
	304,443	37,498	341,941	232,108	6,880	238,988

CHARITY						
Project grants						
Albert Gubay	-	14,250	14,250	-	-	-
	-	14,250	14,250	-	-	-
Donations						
General	112,220	23,248	135,468	90,580	6,880	97,460
For Japanese Tea Garden	-	-	-	-	-	-
	112,220	23,248	135,468	90,580	6,880	97,460
	112,220	37,498	149,718	90,580	6,880	97,460
Donation from SE	822,591	-	822,591	-	-	-
Total for company	934,811	37,498	972,309	90,580	6,880	97,460

3 INCOME FROM CHARITABLE ACTIVITIES

Residential work	52,834		52,834	46,402		46,402
	-	-	-	-	-	-
Per Charity	52,834	-	52,834	46,402	-	46,402
Prison contract - recycling scheme	514,940	-	514,940	1,113,842	-	1,113,842
Café and canteen	2,751	-	2,751	197,873	-	197,873
Food distribution	455,971	-	455,971	298,663	-	298,663
Release Potential	253,810	-	253,810	320,568	-	320,568
	1,227,472	-	1,227,472	1,930,946	-	1,930,946
Per Group	1,280,306	-	1,280,306	1,977,348	-	1,977,348

Included in Release Potential is £36,670 (2020 - nil) of funding from the National Lottery Community Fund.

4 INCOME FROM OTHER TRADING ACTIVITIES

Social value sponsorship	679,403	-	679,403	-	-	-
Per Group	679,403	-	679,403	-	-	-

RECYCLING LIVES CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED APRIL 30 2021

5 TRADING SUBSIDIARY

	2021 £	2020 £
Turnover	1,837,329	1,901,156
Cost of sales	<u>(924,711)</u>	<u>(1,560,407)</u>
Gross profit	912,618	340,749
Distribution costs	(20,000)	-
Administration Expenses	(373,335)	(322,557)
Other operating income	<u>232,941</u>	<u>178,198</u>
Operating profit/loss	752,224	196,390
Interest payable and similar charges	<u>(5,346)</u>	<u>(7,421)</u>
Profit for the financial year	<u><u>746,878</u></u>	<u><u>188,969</u></u>
Total assets	1,423,218	1,047,018
Total liabilities	<u>(1,361,585)</u>	<u>(909,672)</u>
Net funds	<u><u>61,633</u></u>	<u><u>137,346</u></u>
Total income as above	2,070,270	1,901,156
less eliminated on consolidation - grants from charity	(29,450)	(6,880)
add back capital grant	77,704	
less eliminated on consolidation amortisation capital grant	<u>(19,426)</u>	
To Group income	<u><u>2,099,098</u></u>	<u><u>1,894,276</u></u>
Total costs as above	1,323,392	1,890,385
Donations	-	-
Inter company trading	<u>-</u>	<u>-</u>
To Group costs	<u><u>1,323,392</u></u>	<u><u>1,890,385</u></u>

RECYCLING LIVES CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED APRIL 30 2021

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
6 COSTS OF RAISING FUNDS						
Fundraising						
<i>Per Charity</i>	-	-	-	-	-	-
Direct costs	-	-	-	30,000	-	30,000
Support costs	16,156	-	16,156	14,771	-	14,771
<i>Per Group</i>	16,156	-	16,156	44,771	-	44,771

7 CHARITABLE EXPENDITURE

Residential work	233,272	-	233,272	122,046	-	122,046
Grants to subsidiary	15,200	14,250	29,450	-	6,880	6,880
Other projects	(4,649)	11,154	6,505	-	13,537	13,537
<i>Per Charity</i>	243,823	25,404	269,227	122,046	20,417	142,463
Grants to subsidiary eliminated	(15,200)	(14,250)	(29,450)	-	(6,880)	(6,880)
Prison contract - recycling scheme	786,393	-	786,393	1,131,813	-	1,131,813
Café and canteen	100,482	-	100,482	243,731	-	243,731
Food distribution	263,116	14,250	277,366	214,405	6,880	221,285
Donation to Subsidiary	-	-	-	-	-	-
Training placements and support	142,996	-	142,996	248,780	-	248,780
<i>Per Group</i>	1,521,610	25,404	1,547,014	1,960,775	20,417	1,981,192

Charitable expenditure is analysed as follows:

	Direct Costs £	Direct Salaries £	Support Costs £	Total £
2020/21				
Residential work	195,856	10,420	26,996	233,272
Grants to subsidiary company	29,450	-	-	29,450
Other projects	6,505	-	-	6,505
Total per Charity	231,811	10,420	26,996	269,227
Prison contract - recycling scheme	122,797	446,314	217,282	786,393
Café and canteen	1,052	42,825	56,605	100,482
Food distribution	73,006	128,976	75,384	277,366
Release Potential	1,721	79,285	61,990	142,996
Total per Subsidiary	198,576	697,400	411,261	1,307,237
2019/20				
Residential work	76,468	23,832	21,746	122,046
Grants to subsidiary company	6,880	-	-	6,880
Other projects	13,537	-	-	13,537
Total per Charity	96,885	23,832	21,746	142,463
Prison contract - recycling scheme	631,092	363,998	136,723	1,131,813
Café and canteen	97,969	113,702	32,060	243,731
Food distribution	65,463	114,395	41,427	221,285
Training placements and support	38,750	173,046	36,984	248,780
Total per Subsidiary	833,274	765,141	247,194	1,845,609

RECYCLING LIVES CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED APRIL 30 2021

8 SUPPORT COSTS

	Support salaries	Travel & Training	Other Costs	Governance costs	Depreciation Costs	Total 2021
2020/21	£	£	£	£	£	£
Residential work	-	-	979	23,283	2,734	26,996
	-	-	979	23,283	2,734	26,996
Prison contract - recycling scheme	46,671	14,512	41,899	25,968	88,232	217,282
Café and canteen	17,950	7,256	18,276	12,984	138	56,605
Food distribution	23,335	7,256	18,276	12,984	13,533	75,384
Release Potential	23,335	7,256	18,276	12,984	138	61,990
Fundraising	16,156	-	-	-	-	16,156
	127,447	36,280	97,706	88,204	104,775	454,413

						Total 2020
2019/20						
Residential work	-	-	479	19,550	1,717	21,746
	-	-	479	19,550	1,717	21,746
Prison contract - recycling scheme	41,785	6,845	21,436	10,938	55,719	136,723
Café and canteen	15,968	3,423	7,007	5,469	193	32,060
Food distribution	20,892	3,423	7,007	5,469	4,636	41,427
Release Potential	20,892	3,423	7,007	5,469	193	36,984
Fundraising	14,771	-	-	-	-	14,771
	114,308	17,114	42,936	46,895	62,458	283,711

Governance costs	£	£
Salaries	16,156	14,771
Professional and legal fees	72,047	32,126
Overheads	-	-
	88,203	46,897

Support costs are allocated on the following basis:

Staff costs	on estimate of time spent
Other costs	on basis of use of resources

RECYCLING LIVES CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED APRIL 30 2021

9 STAFF INFORMATION

	2021	2020
a Employees	£	£
Salaries and wages	779,289	844,850
Pension costs - money purchase	14,054	15,992
Employer's nic allowance including back claim	(4,000)	(12,000)
Employer's NI contributions	62,080	69,210
	<u>851,423</u>	<u>918,052</u>
Staff costs for the trading subsidiary included above	<u>733,297</u>	<u>795,748</u>
b Employees earning more than £60,000	Number	Number
£80,000 - £90,000	<u>1</u>	<u>1</u>
c The key management of the group comprise the trustees and senior staff (as set out on page1).		
The trustees do not receive any remuneration for their services.		
The total employee benefits of other key management were as follows:	£	£
	<u>243,390</u>	<u>256,489</u>

b Average staff numbers

The average number of employees referred to above, was as follows:-

	2021 Average number	2021 Average FTE number	2020 Average number	2020 average FTE number
Charity	1	1	1	1
Trading subsidiary	37	31	41	37
	<u>38</u>	<u>32</u>	<u>42</u>	<u>38</u>

10 NET INCOME/(EXPENDITURE) BEFORE TRANSFERS (for the Group)

This is stated after charging/(crediting):

Auditor's remuneration:-	£	£
Audit fees - annual accounts	4,200	4,000
Accountancy fees	3,220	11,820
Operating lease rentals	80,667	80,300
Depreciation of assets held on finance leases	85,015	54,339
Depreciation of fixed assets	19,675	8,120
Trustees remuneration	-	-
Trustees expenses re travel and accommodation	<u>-</u>	<u>-</u>
	Number	Number
Trustees having expenses reimbursed or paid on their behalf	<u>-</u>	<u>-</u>

RECYCLING LIVES CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED APRIL 30 2021

11 TANGIBLE FIXED ASSETS

	Short leasehold improvements	Canteen	Motor vehicle	Equipment, Fixtures & Fittings	IT Equipment	Total
GROUP -	£	£	£	£	£	£
Cost						
As at May 1 2020 - as restated	3,610	8,500	49,611	325,162	14,140	401,023
Additions	-	-	47,115	66,862	566	114,543
Disposals	-	-	-	-	-	-
As at April 30 2021	3,610	8,500	96,726	392,024	14,706	515,566
Depreciation						
As at May 1 2020 - as restated	3,610	8,499	3,509	128,372	8,666	152,656
Charge for the year	-	-	12,935	89,450	2,305	104,690
Disposals	-	-	-	-	-	-
As at April 30 2021	3,610	8,499	16,444	217,822	10,971	257,346
Net Book Value						
As at April 30 2021	-	1	80,282	174,202	3,735	258,220
As at May 1 2020 - as restated	-	1	46,102	196,790	5,474	248,367

Included in equipment, fixtures and fittings are assets held on finance leases with a net book value of £168,244 (2020 - £222,583).

	Short leasehold improvements	Canteen	Motor vehicle	Fixtures & Fittings	IT Equipment	Total
COMPANY	£	£	£	£	£	£
Cost						
As at May 1 2020	3,610	8,500	1,800	24,601	6,734	45,245
Additions	-	-	-	16,655	-	16,655
Disposals	-	-	-	-	-	-
As at April 30 2021	3,610	8,500	1,800	41,256	6,734	61,900
Depreciation						
As at May 1 2020	3,610	8,499	1,800	22,159	6,734	42,802
Charge for the year	-	-	-	2,651	-	2,651
Disposals	-	-	-	-	-	-
As at April 30 2021	3,610	8,499	1,800	24,810	6,734	45,453
Net Book Value						
As at April 30 2021	-	1	-	16,446	-	16,447
As at May 1 2020	-	1	-	2,442	-	2,443

12 FIXED ASSET INVESTMENTS

The Charity owns 100% of the issued share capital of the following companies:

Name	Activity	Investment	Company no.
		2021 £	2020 £
Recycling Lives (Social Enterprises) Ltd		100	100
(incorporated in England & Wales)		100	100

RECYCLING LIVES CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED APRIL 30 2021

	GROUP	GROUP	COMPANY	COMPANY
	2021	2020	2021	2020
	£	£	£	£
13 DEBTORS				
Trade debtors	252,269	263,478	999	6,775
Grants and income receivable	337,370	6,551	3,833	6,551
Recycling Lives (Social Enterprises) Ltd	-	-	629,785	-
Other debtors	2,725	13,199	1,626	13,199
Prepayments	49,356	70,976	-	-
	641,720	354,204	636,243	26,525
14 CREDITORS falling due within one year				
Trade creditors	79,987	147,875	91	4,752
Other taxes and social security	29,618	29,577	1,181	-
Accruals	104,601	92,308	17,413	15,635
Recycling Lives (Social Enterprises) Ltd	-	-	-	28,113
Finance lease creditors	54,569	54,570	-	-
Other creditors	328,749	259,401	-	-
Income and grants in advance	33,107	40,080	-	-
	630,631	623,811	18,685	48,500
15 CREDITORS falling due in more than one year				
Other creditors	-	186,634	-	-
Finance lease creditors - 2 - 5 years	61,572	119,614	-	-
	61,572	306,248	-	-

See the related party note for details of the other creditors due in more than one year.

16 STATEMENT OF FUNDS

	01/05/2019				30/04/2020				30/04/2021			
	£	Income	Expenditure	Transfers losses & taxation	£	Income	Expenditure	Transfers	£	Income	Expenditure	Transfers
		£	£	£	£	£	£	£	£	£	£	£
	(4,865)	2,209,456	(2,005,546)	-	199,045	2,264,152	(1,537,766)	(28,345)	897,086	2,264,152	(1,537,766)	16,655
	-	-	-	-	-	-	-	45,000	45,000	-	-	-
	(4,865)	2,209,456	(2,005,546)	-	199,045	2,264,152	(1,537,766)	16,655	942,086	2,264,152	(1,537,766)	16,655
	18,098	6,880	(20,417)	-	4,561	37,498	(25,404)	(16,655)	-	37,498	(25,404)	(16,655)
	18,098	6,880	(20,417)	-	4,561	37,498	(25,404)	(16,655)	-	37,498	(25,404)	(16,655)
	13,233	2,216,336	(2,025,963)	-	203,606	2,301,650	(1,563,170)	-	942,086	2,301,650	(1,563,170)	-

GROUP

Unrestricted funds:

General fund

Designated Fund

Restricted Funds:

Project funds (see detail below)

Total Funds

Unrestricted fund totals are analysed as follows:

Charitable funds

Capital grant in SE

Non charitable trading funds

46,859	61,795	822,272
-	-	58,278
(51,724)	137,250	119,814
(4,865)	199,045	942,086

16 STATEMENT OF FUNDS (continued)

	01/05/2019			Transfers losses & taxation			30/04/2020 01/05/2020			Income			Expenditure			Transfers			30/04/2021		
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Unrestricted funds:																					
General fund	46,859	136,982	(122,046)	-	-	-	61,795	-	987,645	(243,823)	(28,345)	777,272									
Designated fund	-	-	-	-	-	-	-	-	-	-	45,000	45,000									
Total unrestricted funds	46,859	136,982	(122,046)	-	-	-	61,795	-	987,645	(243,823)	16,655	822,272									
Restricted Funds:																					
Albert Gubay	-	-	-	-	-	-	-	-	14,250	(14,250)	-	-									
Protein Work Bee	-	6,880	(6,880)	-	-	-	-	-	6,593	(6,593)	-	-									
Big Lottery - Weight Off your Mind	2,760	-	-	-	-	-	2,760	-	-	(2,760)	-	-									
Japanese Tea Garden	13,049	-	(11,248)	-	-	-	1,801	-	-	(1,801)	-	-									
Capital Donation - New Kitchen	-	-	-	-	-	-	-	-	16,655	-	(16,655)	-									
Reach fund	2,289	-	(2,289)	-	-	-	-	-	-	-	-	-									
Total restricted funds	18,098	6,880	(20,417)	-	-	-	4,561	-	37,498	(25,404)	(16,655)	-									
Total Funds	64,957	143,862	(142,463)	-	-	-	66,356	-	1,025,143	(269,227)	-	822,272									

COMPANY

Unrestricted funds:
General fund
Designated fund
Total unrestricted funds

Restricted Funds:
Albert Gubay
Protein Work Bee
Big Lottery - Weight Off your Mind
Japanese Tea Garden
Capital Donation - New Kitchen
Reach fund
Total restricted funds

Total Funds

16 STATEMENT OF FUNDS (continued)

Transfers

The Charity benefited from a donation of £45,000 received towards the end of the year, and this has been designated to meet the salary costs of the residential project in 21/22.

There is no continuing restriction over the use of the kitchen and the balance has been released to general funds.

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Company fund balances at April 30 2021

are represented by:-

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Tangible fixed assets	16,547	-	16,547
Net current assets	805,725	-	805,725
	822,272	-	822,272

Company fund balances at April 30 2020

are represented by:-

Tangible fixed assets	2,543	-	2,543
Net current assets	59,252	4,561	63,813
	61,795	4,561	66,356

Free Reserves:

	2021	2020
	£	£
Net current assets	760,725	59,252

18 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Net income/(expenditure) after taxation	738,480	190,373	755,916	1,399
Add back depreciation	104,690	62,459	2,651	1,717
Deduct interest income shown in investing activities	-	-	-	-
Deduct profit/add back losses on disposals of FA	-	-	-	-
Decrease/(increase) in debtors	(287,516)	143,609	(609,718)	(26,525)
Increase/(decrease) in creditors	6,821	(172,269)	(29,815)	26,045
Net cash generated from/(used in) operating activities	562,475	224,172	119,034	2,636

Movement in net debt:	at 31/3/20	cashflows	New finance leases	other non cash	as 31/3/21
Group	£	£	£	£	£
Cash and cash equivalents					
Cash at bank and in hand	531,094	203,255	-	-	734,349
Debt					
Finance lease obligations	(174,184)	(58,043)	-	-	(116,141)
Cash and cash equivalents net of debt	356,910				618,208

There are no borrowings in the Charity.

RECYCLING LIVES CHARITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED APRIL 30 2021

19 LEASE COMMITMENTS	2021	2020
	£	£
Operating leases		
Due within one year	153,500	133,417
Due within 2 to 5 years	565,708	492,000
Due in more than 5 years	695,000	820,000
	<u>1,414,208</u>	<u>1,445,417</u>

The above figures exclude service charges.

Included in the above are commitments that arise under a formal lease between the Charity and Recycling Lives Ltd (RLL), for the accommodation space at the registered office. The relevant figures are as follows:

Due within one year	123,000	123,000
Due within 2 to 5 years	492,000	492,000
Due in more than 5 years	695,000	820,000
	<u>1,310,000</u>	<u>1,435,000</u>

The Charity has only occupied one of two floors covered by the lease and RLL has never sought to charge the full rent, charging only what it believes the Charity can afford in any year following discussions with the Charity.

RLL has rented out the unoccupied space to other tenants and retained the income for its own use.

The Charity and RLL are in the process of formalising the current position and agreeing a formal variation in the lease terms.

Finance leases

Due within one year	59,919	59,916
Due between 2 and 5 years	65,088	125,007
	125,007	184,923
Less finance lease interest	(8,916)	(10,739)
	<u>116,091</u>	<u>174,184</u>

20 CONSTITUTION

The Company is limited by guarantee and does not have a share capital. In the event of the Company being wound up the members are committed to contributing £1 each.

21 TAXATION

The company is a registered charity and is entitled to claim annual exemption from UK corporation tax under sections 466 to 477 of the Corporation Tax Act 2010.

22 CAPITAL COMMITMENTS

The company had the no capital commitments at the year end (2020 - none).

23 Related party transactions

Charity and subsidiary

At 30th April 2021 the subsidiary Recycling Lives (Social Enterprise) Limited owed to the parent charitable company £629,785 (2020 - the Charity owed £28,113). The amount is non-interest bearing and unsecured.

Recycling Lives

The charitable group now has a simple commercial trading relationship with Recycling Lives Ltd. This involves contracting recycling services and a formal sponsorship arrangement. No trustees or key personnel or their families have any formal relationship with the business.

The Group accounts include the following total amounts for services supplied to and by commercial group companies:

Skip hire services

Throughout both years, Recycling Lives (Social Enterprises) Ltd (RLSE) has acted as agent for Recycling Lives Ltd (RLL) in respect of a skip hire contract that invoiced c£1.2m in 20/21 (prior year c£1.4m), and was invoiced the same by RLL. The income and costs are not included in the profit and loss account of SE. At the year end there was c£202k outstanding from the skip hire company. At the year end RLL was owed £328,749 by RLSE for this.