

CHANGING LIVES TOGETHER

England & Wales · Charity number 1139983

Details

Other names	CHANGING LIVES IN CHESHIRE, CLIC - CHANGING LIVES IN CHESHIRE
Status	Registered
Legal form	Charitable company
Company number	07400060
Registered	2011-01-24
Register	View on the Charity Commission register

Contact

Address	Bridge Building (Unit 12) Road Two Winsford Industrial Estate Winsford CW7 3QL
Phone	01606 827120
Email	info@changing-lives-together.org.uk
Website	www.changing-lives-together.org.uk

Activities

Objects: THE CHARITY'S OBJECTS ARE SPECIFICALLY RESTRICTED TO THE FOLLOWING; 5.1 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, AFFORDABLE FOOD, RECYCLED AND REUSED ITEMS AND SERVICES TO REDUCE SOCIAL ISOLATION.5.2 THE PROTECTION AND PRESERVATION OF THE PHYSICAL AND NATURAL ENVIRONMENT IN PARTICULAR BUT NOT EXCLUSIVELY BY THE PROMOTION OF SUSTAINABLE WASTE MANAGEMENT PRACTICES.5.3 TO PROVIDE TRANSPORT SERVICES IN PARTICULAR BUT NOT EXCLUSIVELY IN CHESHIRE AND THE SURROUNDING AREA FOR PEOPLE WHO HAVE SPECIAL NEED OF SUCH SERVICES BECAUSE THEY ARE ELDERLY, POOR OR DISABLED, PEOPLE WITH YOUNG CHILDREN OR THOSE LIVING IN ISOLATED AREAS.

Activities: Changing Lives Together provides affordable furniture and electrical items and Community Transport. We also work extensively with our local community and support people through a variety of work, training and volunteering programmes for vulnerable, disabled and excluded individuals.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** Education/training, Disability, The Prevention Or Relief Of Poverty, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL
- Cheshire East
- Cheshire West & Chester
- Warrington

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£2,444,931	£2,528,542	£421,615	76
2023-12-31	£2,623,852	£2,604,289	£505,226	76
2022-12-31	£2,445,857	£2,519,161	-	-
2021-12-31	£2,582,394	£2,358,204	£561,745	75
2020-12-31	£2,361,432	£2,216,660	£337,555	77

Trustees

Name	Role	Appointed
Brian Gordon Dunn		2025-01-22
Brian Michael Clarke		2021-11-19
Christina Frances Lees Jones		2023-05-18
Gillian Edwards		2025-01-21
Heidi Elizabeth Lesley Dillway-Nickson		2016-02-18
Maurice McBride		2024-05-15
Peter Price		2019-05-29
Ruth Blackhurst		2025-03-28

Accounts

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

CHANGING LIVES TOGETHER
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

CHANGING LIVES TOGETHER

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FOR THE YEAR ENDED 31 DECEMBER 2024**

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CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

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 2024. 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).

OBJECTIVES AND ACTIVITIES

Overview

We are a social enterprise committed to delivering a creative and meaningful environmental, social and community impact and to making a difference to the people of Cheshire. Structured as a charitable company, we aim to be financially sustainable through enterprise but our social impacts are at the core of what we do.

We work extensively within our community to support people through a variety of work, training and volunteering programmes. One of our core values is that we support people in a way that maintains their personal dignity.

Our mission is to create a better life for local people and improve their environment and wellbeing.

Operational and retail

Affordable furniture, paint and appliances

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. This saved consumers over £150,000 in buying preloved instead of new.

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. These schemes ensure those in need gain access to essential household items and receive an efficient delivery and installation process. In 2024, we supported over 1,000 families.

During 2024 we saw a sharp drop in sales volume through the scheme as local authorities reset budgets from April, the uncertainty of the general election in July also saw a reduction in spend which presented us with a difficult scenario as we could not significantly reduce costs due to long term vehicle leases and the expectation that spend would increase by the LA's, once the period of uncertainty passed, this has proved to be the case with sales numbers resuming a level of normality from September 2024.

Bulky waste

We are proud to support Cheshire West Recycling Limited and Warrington Borough Council in collecting bulky domestic waste - and we repair, reuse and recycle as much as we can, last year we collected nearly 8,000 products, reusing or recycling 49%.

Community support

Our Buddying and Befriending scheme had been successful in securing grants from The National Lottery Community Fund and others. This has enabled 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 delivered over 300 matches between volunteers and clients in 2024 and led to us establishing community groups under the Warm Welcome brand to support those who are socially isolated and enable them to meet others in a community-based environment, this has led to over 150 people meeting each week taking part in group activities and making new friends.

Throughout the year our Family Support team continued their exceptional work in their school placements to help improve attendance, behaviour and achievement. They focus on early intervention, helping parents to develop the necessary coping skills and access a broad range of services. If our team is unable to assist, they will put families in touch with somebody who can and arrange introductions. In 2024 over 63 families were directly supported by our in-school teams.

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

The Very Green Grocery

Since starting out in 2020, the community groceries have gone from strength to strength in its provision and distribution of surplus food across Cheshire West. Utilising two vehicles we are collecting thousands of tonnes of surplus food across Cheshire, last year alone we calculate over 21,000 individual shops took place saving customers approximately £354,000 in food costs and reducing carbon emissions by 894 tonnes by saving food intended for landfill.

We are now serving an average of 100 shoppers per session, 3 times a week across our two sites in Northwich and Winsford. Our shoppers pay a donation of £6 to receive goods worth considerably more, thus helping them stretch their budgets whilst reducing food waste. With the cost-of-living crisis this service has seen 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 groceries 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 who support the two groceries. Each one of our volunteers has been passionate about supporting their community and without their help and assistance these outcomes would be impossible.

Our Community Cafés offer low-cost hot and cold food, the sites now function fully as a community centre open for use by partners and community groups.

Northwich has seen a 100% increase, and Winsford has seen a 50% footfall increase in residents using the service and the community centre is being used by other community projects including a Baby Bank.

Community transport

We operate our community transport minibus services (Yourbus), which are contracted by Cheshire West and Chester Council (CWaC). 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 19,000 trips, the team transported over 10,000 passengers in 2024.

We are currently working closely with CWaC to understand how we can further improve this service for local residents and the wider community pending a tender in 2026. We have invested considerable time in grant applications for vehicles to further grow this service particularly around the need for more Dial a Ride services.

Reuse Warehouse

We have continued to invest in our main retail site to ensure the customer experience is like that of any other quality pre-used homewares retailer, thereby protecting dignity of shoppers. Our brands including "Off to a Good Home", "Planet Paint", "Recycles" give us the chance to move these offerings into smaller retail premises with a sub brand going forward.

We also sourced grant support to invest in a new wood burner on site, turning waste into heat and installed new speed doors to prevent heat loss at our site.

Systems

In 2024 we invested in new IT hardware and continued developing systems, to achieve Cyber Essentials accreditation.

We continue working with health and safety consultants to ensure our internal processes are efficient and meet our obligations to provide a safe environment for visitors, customers, volunteers and staff.

We continue to evolve and measure Social Impact through our bespoke online dashboard, allowing us to measure over 80 key performance metrics, this allows us to demonstrate and improve our impact to the Cheshire community.

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

People

Without our dedicated volunteers and staff, our mission would be impossible to achieve. In 2024 the board supported the implementation of the Real Living Wage again. This has allowed us to recognise the dedication and effort given by those working within the organisation and themselves feeling the impact of the cost-of-living crisis.

Furthermore, we are focussed on building an open and engaging culture, every other month our CEO holds a Grass Roots meeting with representatives from each area of the charity so everyone can feedback any issues or concerns which may be preventing them from delivering great results. We solve these operational problems quickly based on feedback.

Our current objective is to try and remain a Real Living Wage Employer however due to proposed National Insurance contributions by us this may be a challenge in 2025. All employees above this level are reviewed by the Board of Trustees, including management, and an appropriate figure based on economic circumstances and affordability is agreed, based on bench marketing, qualifications and contribution.

Costs

We have worked hard to renegotiate supplier contracts and eliminate spend wherever possible, consolidating our operation, removing and reducing spend. During a period of high inflation our total outgoings did not increase in the year due to this cost cutting. We remain focussed on watching all spend to ensure monies are directed at helping the community.

Management Structure

The organisation is operationally led by a CEO reporting into the Board of Trustees. The CEO leads an experienced Head of Department flat hierarchy team listed below.

- CEO
- Head of Retail and Grocery
- Head of Development
- Head of Community Support
- Head of Community Transport
- Head of Finance
- Head of HR
- Head of Operations

Operational ongoing management is the remit of the leadership team with the CEO presenting progress updates on a weekly basis as well as at our bi-monthly board meetings. Significant strategic decisions are made at the board meetings with the leadership operating to a matrix of authority. Ad hoc exceptional issues will be raised between the CEO and Chair of Trustees as and when required.

What was our impact in 2024?

- Our Bulky Waste activity saved over 2,000 tonnes of carbon
- Our Help Scheme delivered over £1m worth of products to people in need
- Our Retail customers saved over £150k on buying reuse instead of new products
- Our Reuse team prepared and refurbished over 1,000 items that would have ended up in landfill
- Our community Groceries supplied over 42,000 bags of shopping
- Our Buddy & Befriending Team matched over 240 lonely residents with a volunteer to prevent social isolation and hosted over 150 residents at Warm Welcome Meetings
- Family Support helped over 63 families last year
- Community Transport totalled over 76,000 miles transporting vulnerable residents in the year

Future planning

The Board of Trustees hold regular meetings with the CEO to discuss strategy and future planning of Changing Lives Together, to collaborate with stakeholders and ask to become involved in a diverse range of issues affecting the community. All new opportunities would go through a detailed planning process to ensure as a minimum;

1. Does this comply with our organisation's articles?
2. Does this integrate and enhance our social impact?
3. Can this be financially substantiable?
4. Is this achievable?

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

Any future change is then put into our growth and change strategy document which is discussed at each Strategy Meeting with the Board and Leadership Team.

Our key Headline Objectives

1. Growth which is sustainable
2. Health and safety and risk management
3. Cost reduction as appropriate
4. Internal and external communications
5. Environmental and social governance
6. Continuous improvement

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 2024 was £2,444,931 (2023 £2,623,852) and the excess expenditure over income resulted in a deficit of £83,611 (2023 a surplus of £19,563).

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 have achieved this, our reserves at 31 December 2024 were £421,615.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Changing Lives Together (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.

Recruitment and appointment of new 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.

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 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.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07400060 (England and Wales)

Registered Charity number

1139983

Registered office

Unit 12 Road Two
Winsford Industrial Estate
Winsford
Cheshire
CW7 3QL

Trustees

B M Clarke
H E L Dilliway-Nickson
B G Dunn
H C Kinsey
P Price
S T Taylor (resigned 19.1.24)
S M Tilling (resigned 15.5.24)
C F Lees-Jones
M McBride (appointed 15.5.24)
N Dake (appointed 15.5.24) (resigned 15.11.24)
R Blackhurst (appointed 28.3.25)
G Edwards (appointed 21.1.25)

Auditors

Murray Smith LLP
Chartered Accountants
Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

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

Bankers

Santander UK plc
Bridle Road
Merseyside
L30 4GB

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.

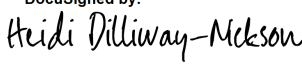
In so far as the trustees are aware:

- 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.

AUDITORS

The auditors, Murray Smith LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 4 June 2025 and signed on its behalf by:

DocuSigned by:

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H E L Dilliway-Nickson - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHANGING LIVES TOGETHER (REGISTERED NUMBER: 07400060)

Opinion

We have audited the financial statements of Changing Lives Together (the 'charitable company') for the year ended 31 December 2024 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 2024 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHANGING LIVES TOGETHER (REGISTERED NUMBER: 07400060)

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.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The audit procedures designed to identify irregularities included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims
- Enquiry of company staff with responsibilities for compliance matters to identify any instances of non-compliance with laws and regulations
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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, intentional misrepresentations or through collusion.

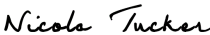
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CHANGING LIVES TOGETHER (REGISTERED NUMBER: 07400060)**

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.

DocuSigned by:



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Nicola Tucker (Senior Statutory Auditor)
for and on behalf of Murray Smith LLP
Chartered Accountants
Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

09-06-2025

Date:

CHANGING LIVES TOGETHER**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	Unrestricted fund £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	18,741	-	18,741	17,927
Charitable activities					
Charitable activities	6	527,346	300,657	828,003	740,532
Other trading activities	4	1,570,339	-	1,570,339	1,845,735
Investment income	5	24,541	-	24,541	19,658
Other income		3,307	-	3,307	-
Total		<u>2,144,274</u>	<u>300,657</u>	<u>2,444,931</u>	<u>2,623,852</u>
EXPENDITURE ON					
Raising funds	7	1,141,916	141,699	1,283,615	1,422,460
Charitable activities					
Charitable activities	8	<u>1,087,601</u>	<u>157,326</u>	<u>1,244,927</u>	<u>1,181,829</u>
Total		<u>2,229,517</u>	<u>299,025</u>	<u>2,528,542</u>	<u>2,604,289</u>
NET INCOME/(EXPENDITURE)		(85,243)	1,632	(83,611)	19,563
RECONCILIATION OF FUNDS					
Total funds brought forward		500,226	5,000	505,226	485,663
TOTAL FUNDS CARRIED FORWARD		<u><u>414,983</u></u>	<u><u>6,632</u></u>	<u><u>421,615</u></u>	<u><u>505,226</u></u>

The notes form part of these financial statements

CHANGING LIVES TOGETHER**BALANCE SHEET
31 DECEMBER 2024**

	Notes	Unrestricted fund £	Restricted funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	14	113,547	3,750	117,297	112,859
CURRENT ASSETS					
Stocks	15	81,227	-	81,227	90,576
Debtors	16	275,532	-	275,532	156,665
Cash at bank		153,110	115,786	268,896	418,126
		<u>509,869</u>	<u>115,786</u>	<u>625,655</u>	<u>665,367</u>
CREDITORS					
Amounts falling due within one year	17	(193,520)	(112,904)	(306,424)	(219,926)
NET CURRENT ASSETS		<u>316,349</u>	<u>2,882</u>	<u>319,231</u>	<u>445,441</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		429,896	6,632	436,528	558,300
CREDITORS					
Amounts falling due after more than one year	18	(14,913)	-	(14,913)	(53,074)
NET ASSETS		<u>414,983</u>	<u>6,632</u>	<u>421,615</u>	<u>505,226</u>
FUNDS	21				
Unrestricted funds				414,983	500,226
Restricted funds				6,632	5,000
TOTAL FUNDS				<u>421,615</u>	<u>505,226</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 4 June 2025 and were signed on its behalf by:

DocuSigned by:

61AC550AC222478...

H E L Dillway-Nickson - Trustee

CHANGING LIVES TOGETHER**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	(95,839)	(21,854)
Interest paid		<u>(4,695)</u>	<u>(6,564)</u>
Net cash used in operating activities		<u>(100,534)</u>	<u>(28,418)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(23,867)	(104,430)
Interest received		<u>11,291</u>	<u>11,040</u>
Net cash used in investing activities		<u>(12,576)</u>	<u>(93,390)</u>
Cash flows from financing activities			
Loan repayments in year		<u>(36,120)</u>	<u>(34,251)</u>
Net cash used in financing activities		<u>(36,120)</u>	<u>(34,251)</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(149,230)	(156,059)
Cash and cash equivalents at the beginning of the reporting period		<u>418,126</u>	<u>574,185</u>
Cash and cash equivalents at the end of the reporting period		<u><u>268,896</u></u>	<u><u>418,126</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 2024****1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM
OPERATING ACTIVITIES**

	2024 £	2023 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(83,611)	19,563
Adjustments for:		
Depreciation charges	18,839	6,134
Loss on disposal of fixed assets	590	-
Interest received	(11,291)	(11,040)
Interest paid	4,695	6,564
Decrease in stocks	9,349	2,175
(Increase)/decrease in debtors	(118,867)	69,198
Increase/(decrease) in creditors	84,457	(114,448)
Net cash used in operations	<u>(95,839)</u>	<u>(21,854)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.24 £	Cash flow £	At 31.12.24 £
Net cash			
Cash at bank	418,126	(149,230)	268,896
	<u>418,126</u>	<u>(149,230)</u>	<u>268,896</u>
Debt			
Debts falling due within 1 year	(36,120)	(2,041)	(38,161)
Debts falling due after 1 year	(53,074)	38,161	(14,913)
	<u>(89,194)</u>	<u>36,120</u>	<u>(53,074)</u>
Total	<u>328,932</u>	<u>(113,110)</u>	<u>215,822</u>

The notes form part of these financial statements

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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 in 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.

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, 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, and 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 acquisitions of a business, and is now fully amortised.

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2024

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:

Short leasehold	- 10% on cost
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.

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.

Pension costs and other post-retirement benefits

The charitable company makes contribution to employees' pension schemes. Contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024****2. ACCOUNTING POLICIES - continued****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.

3. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations	18,741	17,927

4. OTHER TRADING ACTIVITIES

	2024	2023
	£	£
Shop income	1,197,499	1,489,918
Waste credits, recycling, scrap and waste collection	372,840	355,817
	1,570,339	1,845,735

5. INVESTMENT INCOME

	2024	2023
	£	£
Rents received	13,250	8,618
Interest receivable	11,291	11,040
	24,541	19,658

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2024	2023
		£	£
Transport	Charitable activities	482,251	449,547
Grants	Charitable activities	345,752	290,985
		828,003	740,532

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

	2024	2023
	£	£
General fund	-	10,254
Buddying & befriending	45,603	4,480
Family support	46,525	40,149
Kitchen grant	-	5,000
Love Lostock Cheshire Food hub	-	555
National lottery community fund	18,572	75,996
Wellbeing	-	37,487
Winter Box Project	160,772	84,248
VGG Container Rental	2,559	2,746
Dust Extraction Unit	-	938
VGG Food and Collection	5,613	10,000
Period Poverty Fund	-	250
Mental Health Grant	3,000	18,882
Carried forward	282,644	290,985

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024****6. INCOME FROM CHARITABLE ACTIVITIES - continued**

	2024	2023
	£	£
Brought forward	282,644	290,985
Flourish fund	1,000	-
Moulding foundation	1,100	-
Wood Burner	5,460	-
Re-Cycle Project	4,000	-
General restricted fund	6,453	-
	<u>300,657</u>	<u>290,985</u>

7. RAISING FUNDS**Other trading activities**

	2024	2023
	£	£
Opening stock	90,576	92,751
Purchases	436,913	660,256
Closing stock	(81,227)	(90,576)
Staff costs	531,644	503,262
Hire of plant and machinery	30,037	23,983
Licensing	7,268	5,076
Vehicle hire	83,313	84,788
Motor expenses	36,518	52,682
Other direct costs	148,573	90,238
	<u>1,283,615</u>	<u>1,422,460</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 9) £	Totals £
Charitable activities	<u>1,183,564</u>	<u>61,363</u>	<u>1,244,927</u>

9. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Charitable activities	<u>4,942</u>	<u>56,421</u>	<u>61,363</u>

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024****10. NET INCOME/(EXPENDITURE)**

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

	2024	2023
	£	£
Auditors' remuneration - current year	8,916	8,670
Auditors' remuneration - assurance services	999	972
Depreciation - owned assets	18,839	6,134
Hire of plant and machinery	30,037	23,983
Other operating leases	48,964	62,044
Deficit on disposal of fixed assets	590	-
	<u> </u>	<u> </u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2024 nor for the year ended 31 December 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2024 nor for the year ended 31 December 2023.

12. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	1,251,589	1,219,015
Social security costs	90,878	83,655
Other pension costs	19,878	18,544
	<u> </u>	<u> </u>
	<u>1,362,345</u>	<u>1,321,214</u>

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

	2024	2023
Management team	7	5
Warehouse/reuse	25	28
Administrative	6	6
Retail	4	4
Community hubs	6	6
Community engagement	6	9
Community transport	22	18
	<u> </u>	<u> </u>
	<u>76</u>	<u>76</u>

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

	2024	2023
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<u> </u>	<u> </u>
	<u>1</u>	<u>1</u>

Total emoluments for key management personnel totalled £258,387 (2023: £264,755).

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024****13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	17,927	-	17,927
Charitable activities			
Charitable activities	459,801	280,731	740,532
Other trading activities	1,845,735	-	1,845,735
Investment income	19,658	-	19,658
Total	<u>2,343,121</u>	<u>280,731</u>	<u>2,623,852</u>
EXPENDITURE ON			
Raising funds	1,408,909	13,551	1,422,460
Charitable activities			
Charitable activities	<u>904,789</u>	<u>277,040</u>	<u>1,181,829</u>
Total	<u>2,313,698</u>	<u>290,591</u>	<u>2,604,289</u>
NET INCOME/(EXPENDITURE)	29,423	(9,860)	19,563
RECONCILIATION OF FUNDS			
Total funds brought forward	470,803	14,860	485,663
TOTAL FUNDS CARRIED FORWARD	<u>500,226</u>	<u>5,000</u>	<u>505,226</u>

14. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2024	95,031	61,606	7,507	43,628	207,772
Additions	3,675	7,917	3,798	8,477	23,867
Disposals	-	-	-	(1,345)	(1,345)
At 31 December 2024	<u>98,706</u>	<u>69,523</u>	<u>11,305</u>	<u>50,760</u>	<u>230,294</u>
DEPRECIATION					
At 1 January 2024	-	51,730	7,077	36,106	94,913
Charge for year	11,607	771	1,713	4,748	18,839
Eliminated on disposal	-	-	-	(755)	(755)
At 31 December 2024	<u>11,607</u>	<u>52,501</u>	<u>8,790</u>	<u>40,099</u>	<u>112,997</u>
NET BOOK VALUE					
At 31 December 2024	<u>87,099</u>	<u>17,022</u>	<u>2,515</u>	<u>10,661</u>	<u>117,297</u>
At 31 December 2023	<u>95,031</u>	<u>9,876</u>	<u>430</u>	<u>7,522</u>	<u>112,859</u>

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024****15. STOCKS**

	2024	2023
	£	£
Stocks	<u>81,227</u>	<u>90,576</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade debtors	239,446	125,271
Other debtors	13,921	8,695
Prepayments and accrued income	22,165	22,699
	<u>275,532</u>	<u>156,665</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Other loans (see note 19)	38,161	36,120
Trade creditors	80,616	69,450
Social security and other taxes	23,185	21,812
VAT	9,554	21,178
Other creditors	4,586	4,114
Deposits held on account	18,465	17,850
Accruals and deferred income	131,857	49,402
	<u>306,424</u>	<u>219,926</u>

	2024	2023
	£	£
Deferred income at 31 December 2023	49,978	82,266
Released from previous years	(47,471)	(82,266)
Income deferred in the year	113,877	49,978
	<u>116,384</u>	<u>49,978</u>

At the balance sheet date the Charity was holding the following income received in advance:

	2024	2023
	£	£
CWaC Furniture Scheme	18,465	17,850
RWT Main Grant	-	8,499
CCG Mental Health B&B	-	2,503
B&B Main Grant Lottery	-	18,571
Earl of Chester funding	4,500	-
Cheshire East - The Flourish Fund BB	9,000	-
Moulding Foundation	38,900	-
Morrisons Foundation	8,046	-
Family Support Invoicing	13,379	-
Tarporley War Memorial Hospital Dementia Support	8,663	-
Cheshire East Cost of Living - VGG Crewe	10,000	-
John Lewis Partnership	1,650	-
All other small grants	3,781	2,555
	<u>116,384</u>	<u>49,978</u>

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024****17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued****18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2024	2023
	£	£
Other loans (see note 19)	14,913	53,074

19. LOANS

An analysis of the maturity of loans is given below:

	2024	2023
	£	£
Amounts falling due within one year on demand:		
Other loans	38,161	36,120
Amounts falling between one and two years:		
Other loans - 1-2 years	14,913	38,161
Amounts falling due between two and five years:		
Other loans - 2-5 years	-	14,913

20. LEASING AGREEMENTS

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

	2024	2023
	£	£
Within one year	131,830	128,433
Between one and five years	179,229	269,961
	311,059	398,394

21. MOVEMENT IN FUNDS

	At 1.1.24	Net movement in funds	At 31.12.24
	£	£	£
Unrestricted funds			
General fund	500,226	(85,243)	414,983
Restricted funds			
Family Support	-	1,769	1,769
Buddying & Befriending	-	1,113	1,113
Kitchen Grant	5,000	(1,250)	3,750
	5,000	1,632	6,632
TOTAL FUNDS	505,226	(83,611)	421,615

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024****21. 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	2,144,274	(2,229,517)	(85,243)
Restricted funds			
Re-Cycle Project	4,000	(4,000)	-
Family Support	46,525	(44,756)	1,769
National Lottery Community Fund	18,572	(18,572)	-
Buddying & Befriending	45,603	(44,490)	1,113
Kitchen Grant	-	(1,250)	(1,250)
Mental Health	3,000	(3,000)	-
Winter Box Project	160,772	(160,772)	-
VGG Container Rental	2,559	(2,559)	-
VGG Food and Collection	5,613	(5,613)	-
Small restricted fund	6,453	(6,453)	-
Flourish fund	1,000	(1,000)	-
Moulding foundation	1,100	(1,100)	-
Wood Burner	5,460	(5,460)	-
	<u>300,657</u>	<u>(299,025)</u>	<u>1,632</u>
TOTAL FUNDS	<u><u>2,444,931</u></u>	<u><u>(2,528,542)</u></u>	<u><u>(83,611)</u></u>

Comparatives for movement in funds

	At 1.1.23 £	Net movement in funds £	At 31.12.23 £
Unrestricted funds			
General fund	470,803	29,423	500,226
Restricted funds			
Food Hub Grant	14,860	(14,860)	-
Kitchen Grant	-	5,000	5,000
	<u>14,860</u>	<u>(9,860)</u>	<u>5,000</u>
TOTAL FUNDS	<u><u>485,663</u></u>	<u><u>19,563</u></u>	<u><u>505,226</u></u>

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024****21. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,343,121	(2,313,698)	29,423
Restricted funds			
Family Support	40,149	(40,149)	-
National Lottery Community Fund	75,996	(75,996)	-
Wellbeing	37,487	(37,487)	-
Food Hub Grant	-	(14,860)	(14,860)
Buddying & Befriending	4,480	(4,480)	-
Love Lostock Cheshire Food Hub	555	(555)	-
Kitchen Grant	5,000	-	5,000
Mental Health	18,882	(18,882)	-
Winter Box Project	84,248	(84,248)	-
VGG Container Rental	2,746	(2,746)	-
Dust Extraction Unit	938	(938)	-
VGG Food and Collection	10,000	(10,000)	-
Period Poverty Fund	250	(250)	-
	<u>280,731</u>	<u>(290,591)</u>	<u>(9,860)</u>
TOTAL FUNDS	<u>2,623,852</u>	<u>(2,604,289)</u>	<u>19,563</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.23 £	Net movement in funds £	At 31.12.24 £
Unrestricted funds			
General fund	470,803	(55,820)	414,983
Restricted funds			
Family Support	-	1,769	1,769
Food Hub Grant	14,860	(14,860)	-
Buddying & Befriending	-	1,113	1,113
Kitchen Grant	-	3,750	3,750
	<u>14,860</u>	<u>(8,228)</u>	<u>6,632</u>
TOTAL FUNDS	<u>485,663</u>	<u>(64,048)</u>	<u>421,615</u>

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024****21. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	4,487,395	(4,543,215)	(55,820)
Restricted funds			
Re-Cycle Project	4,000	(4,000)	-
Family Support	86,674	(84,905)	1,769
National Lottery Community Fund	94,568	(94,568)	-
Wellbeing	37,487	(37,487)	-
Food Hub Grant	-	(14,860)	(14,860)
Buddying & Befriending	50,083	(48,970)	1,113
Love Lostock Cheshire Food Hub	555	(555)	-
Kitchen Grant	5,000	(1,250)	3,750
Mental Health	21,882	(21,882)	-
Winter Box Project	245,020	(245,020)	-
VGG Container Rental	5,305	(5,305)	-
Dust Extraction Unit	938	(938)	-
VGG Food and Collection	15,613	(15,613)	-
Period Poverty Fund	250	(250)	-
Small restricted fund	6,453	(6,453)	-
Flourish fund	1,000	(1,000)	-
Moulding foundation	1,100	(1,100)	-
Wood Burner	5,460	(5,460)	-
	581,388	(589,616)	(8,228)
TOTAL FUNDS	5,068,783	(5,132,831)	(64,048)

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2024

21. MOVEMENT IN FUNDS - continued

Family Support - Schools invoiced by Terms for Support provided to primary schools by CLT - Funds cover wages of Support staff, management costs and admin fees.

National Lottery Community Fund - Funds received from the National Lottery Community fund - covers Buddy & Befriending wages, management costs and admin fees.

Wellbeing - Funds to assist with the costs of activities across Community support teams - Funds from Grants released to income for Community Support departments and Business development.

Food Hub Grant - Support towards running costs of the Northwich Community Hub.

Buddying & Befriending - Support towards activities for the Buddy & Befriending team, admin and management costs.

Love Lostock Cheshire Food Hub - Support towards running costs of the Northwich Community Hub.

Kitchen Grant - Funds for the New Kitchen at Winsford Community Hub.

Mental Health - Funds cover wages of Support staff, management costs and admin fees for the Mental Health section of Buddy & Befriending.

Winter Box Project - Funds to cover the costs of Christmas Food Boxes supplied by CLT, includes management and admin costs.

VGG Container Rental - Funds to help towards the cost of Refrigerated container hire sited at Northwich Community Hub.

Dust Extraction Unit - Funds towards cost and maintenance of the unit at Winsford Hub Road Two.

VGG Food and Collection - Funds towards staple food provided for the Very Green Groceries and collections.

Period Poverty Fund - Funds towards sanitary products provided at the Northwich Community Hub.

Re-cycle project - Funds to set up the Re-cycle project and train cycle technicians.

Flourish fund - Funds to establish and maintain the existing befriending service.

Moulding foundation - Up-front lump sum contribution for the fit out costs of the new Crewe retail store.

Wood burner - Funds for the purchase of a new heating appliance at the Winsford warehouse.

Small restricted fund - All other restricted small grants and donations.

CHANGING LIVES TOGETHER

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2024.

CHANGING LIVES TOGETHER**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024 £	2023 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	18,741	17,927
Other trading activities		
Shop income	1,197,499	1,489,918
Waste credits, recycling, scrap and waste collection	372,840	355,817
	1,570,339	1,845,735
Investment income		
Rents received	13,250	8,618
Interest receivable	11,291	11,040
	24,541	19,658
Charitable activities		
Transport	482,251	449,547
Grants	345,752	290,985
	828,003	740,532
Other income		
Other income	3,307	-
	2,444,931	2,623,852
Total incoming resources		
EXPENDITURE		
Other trading activities		
Opening stock	90,576	92,751
Purchases	436,913	660,256
Wages	531,644	503,262
Hire of plant and machinery	30,037	23,983
Licensing	7,268	5,076
Vehicle hire	83,313	84,788
Motor expenses	36,518	52,682
Other direct costs	148,573	90,238
Closing stock	(81,227)	(90,576)
	1,283,615	1,422,460
Charitable activities		
Wages	719,945	715,753
Social security	90,878	83,655
Pensions	19,878	18,544
Other operating leases	48,964	62,044
Carried forward	879,665	879,996

This page does not form part of the statutory financial statements

CHANGING LIVES TOGETHER**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024 £	2023 £
Charitable activities		
Brought forward	879,665	879,996
Direct costs	284,470	278,802
Short leasehold	11,607	-
Plant and machinery	771	3,395
Fixtures and fittings	1,572	327
Computer equipment	4,889	2,412
Loss on sale of tangible fixed assets	590	-
	1,183,564	1,164,932
Support costs		
Finance		
Bank charges	247	629
Late payment fees	-	49
Bank loan interest	4,695	6,564
	4,942	7,242
Governance costs		
Auditors' remuneration - current year	9,915	9,642
Other governance costs	46,506	13
	56,421	9,655
Total resources expended	2,528,542	2,604,289
Net (expenditure)/income	(83,611)	19,563

Accounts

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

CHANGING LIVES TOGETHER
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

CHANGING LIVES TOGETHER

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023. 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).

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 and innovative 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. One of our core values is that we support people in a way that maintains their personal dignity.

Our mission is to create a better life for local people and improve their environment and wellbeing.

Operational and retail

Affordable furniture, paint and appliances

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. This saved consumers over £500,000 in buying preloved instead of new.

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 as well as housing associations. These schemes ensure those in need gain access to essential household items and receive an efficient delivery and installation process. In 2023, we supported over 7,000 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, last year we collected nearly 8,000 products, reusing or recycling 49%.

Community engagement

Our Buddying and Befriending scheme had been successful in securing a grant from The National Lottery Community Fund from April 21 for a period of 3 years. This has enabled 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 delivered over 350 matches between volunteers and clients in 2023.

Throughout the year our Family Support team continued their exceptional work in their school placements to help improve attendance, behaviour and achievement. They focus on early intervention, helping parents to develop the necessary coping skills and 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. In 2023 over 100 families were directly supported by our in school teams.

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

The Very Green Grocery

Since starting out in 2020, the community grocery has gone from strength to strength in its provision and distribution of surplus food across Cheshire West. Utilising two vehicles we are collecting thousands of tonnes of surplus food across Cheshire, last year alone we calculate over 24,000 individual shops took place saving customers £400,000 in food costs and reducing carbon emissions by taking 500 tonnes of food intended for landfill.

We are now serving an average of 100 shoppers per session, 3 times a week. Our shoppers pay £5 a shop, receive goods worth considerably more, helping them stretch their budgets whilst reducing food waste. With the cost of living crisis this service has seen 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 groceries 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 who support the two groceries. Each one of our volunteers has been passionate about supporting their community and without their help and assistance these outcomes would be impossible.

Our site at Lostock is opens Monday to Friday with a Community Café offering low-cost hot food, the site now functions fully as a Community Centre open for use by partners and community groups.

In 2023 we also acquired another site in Winsford to open a second Very Green Grocery, Cafe and Community Centre and this has also seen a 50% footfall increase in residents using the service. The Board agreed investment from reserves to cosmetically improve the new site and ensure it is H&S compliant as the building was in a poor state of repair. Cheshire Community Fund also supported the installation of a kitchen / café with a grant.

Additionally, utilising surplus food we opened at Café at our Winsford Hub site, again providing low cost hot food. In 2024 we will introduce a Repair Café concept at all three Community Café's helping residents reuse and repair household items and clothing.

Furthermore CLT is continuing to explore the opportunity to provide surplus food distribution to the whole of Cheshire through a dedicated warehouse facility.

Community transport branded as Yourbus

We operate our community transport minibus services (Yourbus), which are contracted by Cheshire West and Chester Council (CWaC). 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.

We also invested in extending our parking facilities at the Winsford Hub after the closure of the Navigation Road site, this ensure vehicles are safe, do not disrupt the local community and in the medium term will save CLT money as we no longer fund the Navigation Road site.

With over 2,000 schools trips and over 3,000 adult social care trips, the team transported over 10,000 passengers in 2023.

We are currently working closely with CWaC to understand how we can further improve this service for local residents and the wider community pending a tender in 2026.

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

Reuse Warehouse

We have invested in our main retail site, changing the brand to ensure the customer experience is like that of any retailer, thereby protecting dignity of shoppers who see our preloved offer the same as any other retail experience. New brands including "Off to a Good Home", "Planet Paint", "Recycles", etc give CLT the chance to move into smaller retail premises with a sub brand going forward.

The new look site is focussed on promoting the benefits of preloved in terms of environmental and fiscal impacts and we hope in 2024 the site can be used by local primary schools as an educational facility to support their curriculum. In 2024 we also plan to include preloved cycles as part of our retail offering.

A large part of the investment went into staff facilities, the board felt it was important to ensure both customers, volunteers and staff had decent office and toilet facilities which would support CLT's growth and increasing footfall.

We plan to grow our retail branches in 2024 to achieve a greater volume of donation volumes and support more communities with low cost, high quality, preloved products.

Systems

In 2023 we invested in a new EPOS system as our previous system was no longer supported and was limiting reporting and data accuracy. This system has now gone live and CLT have seen immediate benefits which support our future growth.

We engaged a new H&S Consultancy 'Rhino Safety Systems' to improve our internal processes and develop a paper free H&S Management System.

We developed a unique and bespoke Social Impact Dashboard allowing us to measure over 80 key performance metrics, this allows us to demonstrate and improve our impact to the Cheshire community.

We began working with MRD IT Support Services to achieve Cyber Essentials Plus accreditation in 2024.

People

Without our dedicated volunteers and staff, our mission would be impossible to achieve. In 2023 the board supported the implementation of the Real Living Wage and recognised the contribution from both staff and volunteers by financially contributing towards social events. This has allowed us to recognise the dedication and effort given by those working within the organisation and themselves feeling the impact of the cost of living crisis.

Furthermore we are focussed on building an open and engaging culture, every month our CEO holds a Grass Roots meeting with representatives from each area of the charity so everyone can feedback any issues or concerns which may be preventing them from delivering great results. We solve these operational problems quickly and we recognise outstanding achievements with a Volunteer and Employee of the Month Scheme which are nominated by our team.

The objective of the Charity currently is to try and remain a Real Living Wage Employer which means the majority of remuneration is defined by the revised RLW hourly figure released each November. All employees above this level are reviewed by the Board of Trustees, including management, and an appropriate figure based on economic circumstances and affordability is agreed, based on bench marketing, qualifications and contribution.

Costs

We have worked hard to renegotiate supplier contracts and eliminate spend wherever possible, closing sites and consolidating our operation, removing and reducing spend. During a period of high inflation our total outgoings did not increase in the year due to this cost cutting. We remain focussed on watching all spend to ensure monies are directed at helping the community.

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

Management Structure

The organisation is operationally led by a CEO reporting into the Board of Trustees. The CEO leads an experienced Head of Department flat hierarchy team listed below.

- CEO
- Head of Retail and Grocery
- Head of Development
- Head of Community Support
- Head of Community Transport
- Head of Finance
- Head of HR
- Head of Operations

Operational ongoing management is the remit of the leadership team with the CEO presenting progress updates on a weekly basis as well as at our bi-monthly Board Meetings. Significant strategic decisions are made at the board meetings with the leadership operating to a matrix of authority. Ad hoc exceptional issues will be raised between the CEO and Chair as and when required.

What was our impact in 2023?

- Our Bulky Waste activity saved over 2.5 tonnes of carbon going into landfill
- Our Help Scheme delivered over £1m worth of products to people in need
- Our Retail customers saved over £150k on buying reuse instead of new products
- Our Reuse team prepared and refurbished over 1,500 items that would have ended up in landfill
- Our Community Grocery gave out over 48,000 bags of shopping, residents shopped with us 24,000 times
- Our Buddy & Befriending Team matched over 360 lonely residents with a volunteer to prevent social isolation
- Family Support helped over 100 families last year
- Community Transport totalled over 24,000 miles and transported residents on over 11,000 journeys

Future planning

The Board hold regular strategic reviews with the Leadership Team to discuss future planning of Changing Lives Together, to collaborate with stakeholders and ask to become involved in a diverse range of issues affecting the community. All new opportunities would go through a detailed planning process to ensure as a minimum;

1. Does this meet our articles
2. Does this integrate and enhance our social impact
3. Can this be financially substantiable
4. Is this achievable

Any future change is then put into our growth and change strategy document which is discussed at each Strategy Meeting with the Board and Leadership Team.

Our key Headline Objectives

1. Growth
2. Health and safety Systems improvements
3. Review of IT infrastructure and Cyber Essential Plus
4. Internal and External Communications
5. ESG
6. Continuous Improvement

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 2023 was £2,623,852 (2022 £2,443,079) and the charity generated a surplus of £19,563 (2022 a deficit of £76,082).

Investment policy

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

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL REVIEW

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 have achieved this, our reserves at 31 December 2023 were £505,226.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Changing Lives Together (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.

Recruitment and appointment of new 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.

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 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.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07400060 (England and Wales)

Registered Charity number

1139983

Registered office

Unit 12 Road Two
Winsford Industrial Estate
Winsford
Cheshire
CW7 3QL

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees

B M Clarke
H E L Dilliway-Nickson
B G Dunn (resigned 23.2.24)
H C Kinsey
P Price
S T Taylor (resigned 19.1.24)
S M Tilling
C F Lees-Jones (appointed 30.6.23)

Auditors

Murray Smith LLP
Chartered Accountants
Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

Solicitors

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

Bankers

Santander UK plc
Bridle Road
Merseyside
L30 4GB

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.

CHANGING LIVES TOGETHER

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

AUDITORS

The auditors, Murray Smith LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 23 May 2024 and signed on its behalf by:

DocuSigned by:

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H E L Dilliway-Nickson - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHANGING LIVES TOGETHER (REGISTERED NUMBER: 07400060)

Opinion

We have audited the financial statements of Changing Lives Together (the 'charitable company') for the year ended 31 December 2023 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 2023 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHANGING LIVES TOGETHER (REGISTERED NUMBER: 07400060)

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.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The audit procedures designed to identify irregularities included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims
- Enquiry of company staff with responsibilities for compliance matters to identify any instances of non-compliance with laws and regulations
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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, intentional misrepresentations or through collusion.

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 (REGISTERED NUMBER: 07400060)**

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.

DocuSigned by:

Michael Benson

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M G Benson (Senior Statutory Auditor)
for and on behalf of Murray Smith LLP
Chartered Accountants
Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

29-05-2024

Date:

CHANGING LIVES TOGETHER**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	17,927	-	17,927	3,791
Charitable activities					
Charitable activities	6	459,801	280,731	740,532	882,302
Other trading activities	4	1,845,735	-	1,845,735	1,536,732
Investment income	5	19,658	-	19,658	17,093
Other income		-	-	-	3,161
Total		<u>2,343,121</u>	<u>280,731</u>	<u>2,623,852</u>	<u>2,443,079</u>
EXPENDITURE ON					
Raising funds	7	1,408,909	13,551	1,422,460	1,438,461
Charitable activities					
Charitable activities	8	<u>904,789</u>	<u>277,040</u>	<u>1,181,829</u>	<u>1,080,700</u>
Total		<u>2,313,698</u>	<u>290,591</u>	<u>2,604,289</u>	<u>2,519,161</u>
NET INCOME/(EXPENDITURE)		29,423	(9,860)	19,563	(76,082)
RECONCILIATION OF FUNDS					
Total funds brought forward		470,803	14,860	485,663	561,745
TOTAL FUNDS CARRIED FORWARD		<u><u>500,226</u></u>	<u><u>5,000</u></u>	<u><u>505,226</u></u>	<u><u>485,663</u></u>

The notes form part of these financial statements

CHANGING LIVES TOGETHER**BALANCE SHEET
31 DECEMBER 2023**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	15	107,859	5,000	112,859	14,563
CURRENT ASSETS					
Stocks	16	90,576	-	90,576	92,751
Debtors	17	156,665	-	156,665	225,863
Cash at bank		385,998	32,128	418,126	574,185
		<u>633,239</u>	<u>32,128</u>	<u>665,367</u>	<u>892,799</u>
CREDITORS					
Amounts falling due within one year	18	(187,798)	(32,128)	(219,926)	(332,505)
NET CURRENT ASSETS		<u>445,441</u>	<u>-</u>	<u>445,441</u>	<u>560,294</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		553,300	5,000	558,300	574,857
CREDITORS					
Amounts falling due after more than one year	19	(53,074)	-	(53,074)	(89,194)
NET ASSETS		<u>500,226</u>	<u>5,000</u>	<u>505,226</u>	<u>485,663</u>
FUNDS	22				
Unrestricted funds				500,226	470,803
Restricted funds				5,000	14,860
TOTAL FUNDS				<u>505,226</u>	<u>485,663</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 23 May 2024 and were signed on its behalf by:

DocuSigned by:

 61AC550AC222478...

H E L Dillway-Nickson - Trustee

CHANGING LIVES TOGETHER**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	(21,854)	10,561
Interest paid		(6,564)	(12,293)
		<u>(28,418)</u>	<u>(1,732)</u>
Net cash used in operating activities			
Cash flows from investing activities			
Purchase of tangible fixed assets		(104,430)	(3,228)
Interest received		11,040	3,200
		<u>(93,390)</u>	<u>(28)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Loan repayments in year		(34,251)	(32,504)
		<u>(34,251)</u>	<u>(32,504)</u>
Net cash used in financing activities			
		<u>(156,059)</u>	<u>(34,264)</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		574,185	608,449
		<u>574,185</u>	<u>608,449</u>
Cash and cash equivalents at the end of the reporting period		<u>418,126</u>	<u>574,185</u>

The notes form part of these financial statements

CHANGING LIVES TOGETHER**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023****1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM
OPERATING ACTIVITIES**

	2023 £	2022 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	19,563	(76,082)
Adjustments for:		
Depreciation charges	6,134	11,152
Losses on investments	-	3
Interest received	(11,040)	(3,200)
Interest paid	6,564	12,293
Decrease in stocks	2,175	15,883
Decrease/(increase) in debtors	69,198	(23,770)
(Decrease)/increase in creditors	(114,448)	74,282
Net cash (used in)/provided by operations	<u>(21,854)</u>	<u>10,561</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.23 £	Cash flow £	At 31.12.23 £
Net cash			
Cash at bank	574,185	(156,059)	418,126
	<u>574,185</u>	<u>(156,059)</u>	<u>418,126</u>
Debt			
Debts falling due within 1 year	(34,251)	(1,869)	(36,120)
Debts falling due after 1 year	(89,194)	36,120	(53,074)
	<u>(123,445)</u>	<u>34,251</u>	<u>(89,194)</u>
Total	<u>450,740</u>	<u>(121,808)</u>	<u>328,932</u>

The notes form part of these financial statements

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 in 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.

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, 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, and 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 acquisitions of a business, and is now fully amortised.

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

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:

Short leasehold	- 10% on cost
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.

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.

Pension costs and other post-retirement benefits

The charitable company makes contribution to employees' pension schemes. Contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****2. ACCOUNTING POLICIES - continued****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.

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	17,927	3,791

4. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Shop income	1,489,918	1,171,750
Waste credits, recycling, scrap and waste collection	355,817	362,622
Training and work experience	-	2,360
	<u>1,845,735</u>	<u>1,536,732</u>

5. INVESTMENT INCOME

	2023	2022
	£	£
Rents received	8,618	13,893
Interest receivable	11,040	3,200
	<u>19,658</u>	<u>17,093</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Transport	Charitable activities	449,547	445,270
Grants	Charitable activities	290,985	437,032
		<u>740,532</u>	<u>882,302</u>

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

	2023	2022
	£	£
General fund	10,254	26,442
Buddying & befriending	4,480	3,808
Break free grant	-	5,096
BSOG	-	6,400
Family support	40,149	63,986
Food hub grant	-	34,293
Groundworks	-	33,370
Kitchen grant	5,000	2,950
Love Lostock Cheshire Food hub	555	1,000
National lottery community fund	75,996	79,224
Sanctuary housing	-	1,500
Slowcooker grant	-	20,600
	<u>136,434</u>	<u>278,669</u>
Carried forward		

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****6. INCOME FROM CHARITABLE ACTIVITIES - continued**

	2023	2022
	£	£
Brought forward	136,434	278,669
Kickstart training	-	2,360
Ukraine project grant	-	1,550
Wellbeing	37,487	31,308
Winter household fund	-	15,479
Winter Box Project	84,248	107,666
VGG Container Rental	2,746	-
Dust Extraction Unit	938	-
VGG Food and Collection	10,000	-
Period Poverty Fund	250	-
Mental Health Grant	18,882	-
	<u>290,985</u>	<u>437,032</u>

7. RAISING FUNDS**Other trading activities**

	2023	2022
	£	£
Opening stock	92,751	108,634
Purchases	660,256	569,034
Closing stock	(90,576)	(92,751)
Staff costs	503,262	605,584
Hire of plant and machinery	23,983	9,081
Licensing	5,076	1,542
Bad debts	-	(12,000)
Vehicle hire	84,788	56,951
Motor expenses	52,682	48,104
Other direct costs	90,238	104,338
Property repairs	-	39,941
Impairment losses	-	3
	<u>1,422,460</u>	<u>1,438,461</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 9) £	Totals £
Charitable activities	<u>1,164,932</u>	<u>16,897</u>	<u>1,181,829</u>

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****9. SUPPORT COSTS**

	Finance	Governance	Totals
	£	costs	£
	£	£	£
Charitable activities	7,242	9,655	16,897

10. NET INCOME/(EXPENDITURE)

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

	2023	2022
	£	£
Auditors' remuneration - current year	8,670	8,500
Auditors' remuneration - accountancy services	-	4,000
Auditors' remuneration - assurance services	972	450
Auditors' remuneration - prior year	-	4,750
Depreciation - owned assets	6,134	11,152
Hire of plant and machinery	23,983	9,081
Other operating leases	62,044	65,035

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2023 nor for the year ended 31 December 2022.

12. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	1,219,015	1,194,038
Social security costs	83,655	69,649
Other pension costs	18,544	16,005
	1,321,214	1,279,692

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

	2023	2022
Management team	5	4
Warehouse/reuse	28	28
Administrative	6	5
Retail	4	4
Community hubs	6	3
Community engagement	9	9
Community transport	18	20
	76	73

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****12. STAFF COSTS - continued**

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

	2023	2022
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
	<u>1</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>1</u></u>

Total emoluments for key management personnel totalled £264,755 (2022: £246,141).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3,791	-	3,791
Charitable activities			
Charitable activities	579,378	302,924	882,302
Other trading activities	1,536,732	-	1,536,732
Investment income	17,093	-	17,093
Other income	3,161	-	3,161
Total	<u>2,140,155</u>	<u>302,924</u>	<u>2,443,079</u>
EXPENDITURE ON			
Raising funds	1,438,461	-	1,438,461
Charitable activities			
Charitable activities	<u>792,636</u>	<u>288,064</u>	<u>1,080,700</u>
Total	<u>2,231,097</u>	<u>288,064</u>	<u>2,519,161</u>
NET INCOME/(EXPENDITURE)	(90,942)	14,860	(76,082)
RECONCILIATION OF FUNDS			
Total funds brought forward	561,745	-	561,745
TOTAL FUNDS CARRIED FORWARD	<u><u>470,803</u></u>	<u><u>14,860</u></u>	<u><u>485,663</u></u>

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****14. INTANGIBLE FIXED ASSETS**

	Goodwill £
COST	
At 1 January 2023	6,157
Disposals	(6,157)
	<u>-</u>
At 31 December 2023	<u>-</u>
AMORTISATION	
At 1 January 2023	6,157
Eliminated on disposal	(6,157)
	<u>-</u>
At 31 December 2023	<u>-</u>
NET BOOK VALUE	
At 31 December 2023	<u>-</u>
	<u>-</u>
At 31 December 2022	<u>-</u>
	<u>-</u>

15. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2023	-	61,922	6,791	34,629	103,342
Additions	95,031	(316)	716	8,999	104,430
	<u>95,031</u>	<u>61,606</u>	<u>7,507</u>	<u>43,628</u>	<u>207,772</u>
At 31 December 2023	<u>95,031</u>	<u>61,606</u>	<u>7,507</u>	<u>43,628</u>	<u>207,772</u>
DEPRECIATION					
At 1 January 2023	-	48,335	6,750	33,694	88,779
Charge for year	-	3,395	327	2,412	6,134
	<u>-</u>	<u>51,730</u>	<u>7,077</u>	<u>36,106</u>	<u>94,913</u>
At 31 December 2023	<u>-</u>	<u>51,730</u>	<u>7,077</u>	<u>36,106</u>	<u>94,913</u>
NET BOOK VALUE					
At 31 December 2023	<u>95,031</u>	<u>9,876</u>	<u>430</u>	<u>7,522</u>	<u>112,859</u>
	<u>95,031</u>	<u>9,876</u>	<u>430</u>	<u>7,522</u>	<u>112,859</u>
At 31 December 2022	<u>-</u>	<u>13,587</u>	<u>41</u>	<u>935</u>	<u>14,563</u>
	<u>-</u>	<u>13,587</u>	<u>41</u>	<u>935</u>	<u>14,563</u>

16. STOCKS

	2023 £	2022 £
Stocks	<u>90,576</u>	<u>92,751</u>

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Trade debtors	125,271	190,840
Other debtors	8,695	12,464
Prepayments and accrued income	22,699	22,559
	<u>156,665</u>	<u>225,863</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other loans (see note 20)	36,120	34,251
Trade creditors	69,450	103,735
Social security and other taxes	21,812	22,697
VAT	21,178	18,361
Other creditors	4,114	20,022
Deposits held on account	17,850	16,897
Accruals and deferred income	49,402	116,542
	<u>219,926</u>	<u>332,505</u>

	2023	2022
	£	£
Deferred income at 31 December 2022	82,266	96,957
Released from previous years	(82,266)	(96,957)
Income deferred in the year	49,978	82,266
	<u>49,978</u>	<u>82,266</u>

At the balance sheet date the Charity was holding the following income received in advance:

	2023	2022
	£	£
CWaC Furniture Scheme	17,850	16,897
RWT Main Grant	8,499	8,373
CCG Mental Health B&B	2,503	21,385
B&B Main Grant Lottery	18,571	20,280
Winsford Community Grocery Funding	-	6,015
Family Support Invoicing	-	6,933
All other small grants	2,555	2,383
	<u>49,978</u>	<u>82,266</u>

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2023	2022
	£	£
Other loans (see note 20)	53,074	89,194

20. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Other loans	36,120	34,251
Amounts falling between one and two years:		
Other loans - 1-2 years	38,161	36,120
Amounts falling due between two and five years:		
Other loans - 2-5 years	14,913	53,074

21. LEASING AGREEMENTS

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

	2023	2022
	£	£
Within one year	128,433	97,211
Between one and five years	269,961	211,603
	398,394	308,814

22. MOVEMENT IN FUNDS

	At 1.1.23	Net movement in funds	At 31.12.23
	£	£	£
Unrestricted funds			
General fund	470,803	29,423	500,226
Restricted funds			
Food Hub Grant	14,860	(14,860)	-
Kitchen Grant	-	5,000	5,000
	14,860	(9,860)	5,000
TOTAL FUNDS	485,663	19,563	505,226

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****22. 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	2,343,121	(2,313,698)	29,423
Restricted funds			
Family Support	40,149	(40,149)	-
National Lottery Community Fund	75,996	(75,996)	-
Wellbeing	37,487	(37,487)	-
Food Hub Grant	-	(14,860)	(14,860)
Buddying & Befriending	4,480	(4,480)	-
Love Lostock Cheshire Food Hub	555	(555)	-
Kitchen Grant	5,000	-	5,000
Mental Health	18,882	(18,882)	-
Winter Box Project	84,248	(84,248)	-
VGG Container Rental	2,746	(2,746)	-
Dust Extraction Unit	938	(938)	-
VGG Food and Collection	10,000	(10,000)	-
Period Poverty Fund	250	(250)	-
	<u>280,731</u>	<u>(290,591)</u>	<u>(9,860)</u>
TOTAL FUNDS	<u><u>2,623,852</u></u>	<u><u>(2,604,289)</u></u>	<u><u>19,563</u></u>

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	561,745	(90,942)	470,803
Restricted funds			
Food Hub Grant	-	14,860	14,860
TOTAL FUNDS	<u><u>561,745</u></u>	<u><u>(76,082)</u></u>	<u><u>485,663</u></u>

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****22. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,140,155	(2,231,097)	(90,942)
Restricted funds			
Break Free Grant	5,096	(5,096)	-
Groundworks	33,370	(33,370)	-
Family Support	63,986	(63,986)	-
National Lottery Community Fund	79,224	(79,224)	-
Wellbeing	31,308	(31,308)	-
Slowcooker Grant	20,600	(20,600)	-
BSOG	1,833	(1,833)	-
Food Hub Grant	38,860	(24,000)	14,860
Buddying & Befriending	3,808	(3,808)	-
Winter Household Fund	15,479	(15,479)	-
Sanctuary Housing	1,500	(1,500)	-
Love Lostock Cheshire Food Hub	1,000	(1,000)	-
Kitchen Grant	2,950	(2,950)	-
Kickstart Training	2,360	(2,360)	-
Ukraine Project Grant	1,550	(1,550)	-
	<u>302,924</u>	<u>(288,064)</u>	<u>14,860</u>
TOTAL FUNDS	<u><u>2,443,079</u></u>	<u><u>(2,519,161)</u></u>	<u><u>(76,082)</u></u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.22 £	Net movement in funds £	At 31.12.23 £
Unrestricted funds			
General fund	561,745	(61,519)	500,226
Restricted funds			
Kitchen Grant	-	5,000	5,000
TOTAL FUNDS	<u><u>561,745</u></u>	<u><u>(56,519)</u></u>	<u><u>505,226</u></u>

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****22. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	4,483,276	(4,544,795)	(61,519)
Restricted funds			
Break Free Grant	5,096	(5,096)	-
Groundworks	33,370	(33,370)	-
Family Support	104,135	(104,135)	-
National Lottery Community Fund	155,220	(155,220)	-
Wellbeing	68,795	(68,795)	-
Slowcooker Grant	20,600	(20,600)	-
BSOG	1,833	(1,833)	-
Food Hub Grant	38,860	(38,860)	-
Buddying & Befriending	8,288	(8,288)	-
Winter Household Fund	15,479	(15,479)	-
Sanctuary Housing	1,500	(1,500)	-
Love Lostock Cheshire Food Hub	1,555	(1,555)	-
Kitchen Grant	7,950	(2,950)	5,000
Kickstart Training	2,360	(2,360)	-
Ukraine Project Grant	1,550	(1,550)	-
Mental Health	18,882	(18,882)	-
Winter Box Project	84,248	(84,248)	-
VGG Container Rental	2,746	(2,746)	-
Dust Extraction Unit	938	(938)	-
VGG Food and Collection	10,000	(10,000)	-
Period Poverty Fund	250	(250)	-
	583,655	(578,655)	5,000
TOTAL FUNDS	5,066,931	(5,123,450)	(56,519)

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****22. MOVEMENT IN FUNDS - continued**

Family Support - Schools invoiced by Terms for Support provided to primary schools by CLT - Funds cover wages of Support staff, management costs and admin fees.

National Lottery Community Fund - Funds received from the National Lottery Community fund - covers Buddy & Befriending wages, management costs and admin fees.

Wellbeing - Funds to assist with the costs of activities across Community support teams - Funds from Grants released to income for Community Support departments and Business development.

Food Hub Grant - Support towards running costs of the Northwich Community Hub.

Buddying & Befriending - Support towards activities for the Buddy & Befriending team, admin and management costs.

Love Lostock Cheshire Food Hub - Support towards running costs of the Northwich Community Hub.

Kitchen Grant - Funds for the New Kitchen at Winsford Community Hub.

Mental Health - Funds cover wages of Support staff, management costs and admin fees for the Mental Health section of Buddy & Befriending.

Winter Box Project - Funds to cover the costs of Christmas Food Boxes supplied by CLT, includes management and admin costs.

VGG Container Rental - Funds to help towards the cost of Refrigerated container hire sited at Northwich Community Hub.

Dust Extraction Unit - Funds towards cost and maintenance of the unit at Winsford Hub Road Two.

VGG Food and Collection - Funds towards staple food provided for the Very Green Groceries and collections.

Period Poverty Fund - Funds towards sanitary products provided at the Northwich Community Hub.

23. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2023.

CHANGING LIVES TOGETHER**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	17,927	3,791
Other trading activities		
Shop income	1,489,918	1,171,750
Waste credits, recycling, scrap and waste collection	355,817	362,622
Training and work experience	-	2,360
	1,845,735	1,536,732
Investment income		
Rents received	8,618	13,893
Interest receivable	11,040	3,200
	19,658	17,093
Charitable activities		
Transport	449,547	445,270
Grants	290,985	437,032
	740,532	882,302
Other income		
Other income	-	3,161
	-	3,161
Total incoming resources	2,623,852	2,443,079
EXPENDITURE		
Other trading activities		
Opening stock	92,751	108,634
Purchases	660,256	569,034
Wages	503,262	605,584
Hire of plant and machinery	23,983	9,081
Licensing	5,076	1,542
Bad debts	-	(12,000)
Vehicle hire	84,788	56,951
Motor expenses	52,682	48,104
Other direct costs	90,238	104,338
Property repairs	-	39,941
Impairment losses for fixed asset investments	-	3
Closing stock	(90,576)	(92,751)
	1,422,460	1,438,461
Charitable activities		
Wages	715,753	588,454
Carried forward	715,753	588,454

This page does not form part of the statutory financial statements

CHANGING LIVES TOGETHER**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
Charitable activities		
Brought forward	715,753	588,454
Social security	83,655	69,649
Pensions	18,544	16,005
Other operating leases	62,044	65,035
Direct costs	278,802	290,205
Plant and machinery	3,395	8,922
Fixtures and fittings	327	229
Computer equipment	2,412	2,001
	1,164,932	1,040,500
Support costs		
Finance		
Bank charges	629	943
Late payment fees	49	-
Bank interest	-	3,730
Bank loan interest	6,564	8,563
	7,242	13,236
Governance costs		
Auditors' remuneration - current year	9,642	12,950
Auditors' remuneration - prior year	-	4,750
Other governance costs	13	9,264
	9,655	26,964
Total resources expended	2,604,289	2,519,161
Net income/(expenditure)	<u>19,563</u>	<u>(76,082)</u>

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

CHANGING LIVES TOGETHER
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

CHANGING LIVES TOGETHER

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023. 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).

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 and innovative 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. One of our core values is that we support people in a way that maintains their personal dignity.

Our mission is to create a better life for local people and improve their environment and wellbeing.

Operational and retail

Affordable furniture, paint and appliances

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. This saved consumers over £500,000 in buying preloved instead of new.

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 as well as housing associations. These schemes ensure those in need gain access to essential household items and receive an efficient delivery and installation process. In 2023, we supported over 7,000 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, last year we collected nearly 8,000 products, reusing or recycling 49%.

Community engagement

Our Buddying and Befriending scheme had been successful in securing a grant from The National Lottery Community Fund from April 21 for a period of 3 years. This has enabled 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 delivered over 350 matches between volunteers and clients in 2023.

Throughout the year our Family Support team continued their exceptional work in their school placements to help improve attendance, behaviour and achievement. They focus on early intervention, helping parents to develop the necessary coping skills and 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. In 2023 over 100 families were directly supported by our in school teams.

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

The Very Green Grocery

Since starting out in 2020, the community grocery has gone from strength to strength in its provision and distribution of surplus food across Cheshire West. Utilising two vehicles we are collecting thousands of tonnes of surplus food across Cheshire, last year alone we calculate over 24,000 individual shops took place saving customers £400,000 in food costs and reducing carbon emissions by taking 500 tonnes of food intended for landfill.

We are now serving an average of 100 shoppers per session, 3 times a week. Our shoppers pay £5 a shop, receive goods worth considerably more, helping them stretch their budgets whilst reducing food waste. With the cost of living crisis this service has seen 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 groceries 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 who support the two groceries. Each one of our volunteers has been passionate about supporting their community and without their help and assistance these outcomes would be impossible.

Our site at Lostock is opens Monday to Friday with a Community Café offering low-cost hot food, the site now functions fully as a Community Centre open for use by partners and community groups.

In 2023 we also acquired another site in Winsford to open a second Very Green Grocery, Cafe and Community Centre and this has also seen a 50% footfall increase in residents using the service. The Board agreed investment from reserves to cosmetically improve the new site and ensure it is H&S compliant as the building was in a poor state of repair. Cheshire Community Fund also supported the installation of a kitchen / café with a grant.

Additionally, utilising surplus food we opened at Café at our Winsford Hub site, again providing low cost hot food. In 2024 we will introduce a Repair Café concept at all three Community Café's helping residents reuse and repair household items and clothing.

Furthermore CLT is continuing to explore the opportunity to provide surplus food distribution to the whole of Cheshire through a dedicated warehouse facility.

Community transport branded as Yourbus

We operate our community transport minibus services (Yourbus), which are contracted by Cheshire West and Chester Council (CWaC). 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.

We also invested in extending our parking facilities at the Winsford Hub after the closure of the Navigation Road site, this ensure vehicles are safe, do not disrupt the local community and in the medium term will save CLT money as we no longer fund the Navigation Road site.

With over 2,000 schools trips and over 3,000 adult social care trips, the team transported over 10,000 passengers in 2023.

We are currently working closely with CWaC to understand how we can further improve this service for local residents and the wider community pending a tender in 2026.

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

Reuse Warehouse

We have invested in our main retail site, changing the brand to ensure the customer experience is like that of any retailer, thereby protecting dignity of shoppers who see our preloved offer the same as any other retail experience. New brands including "Off to a Good Home", "Planet Paint", "Recycles", etc give CLT the chance to move into smaller retail premises with a sub brand going forward.

The new look site is focussed on promoting the benefits of preloved in terms of environmental and fiscal impacts and we hope in 2024 the site can be used by local primary schools as an educational facility to support their curriculum. In 2024 we also plan to include preloved cycles as part of our retail offering.

A large part of the investment went into staff facilities, the board felt it was important to ensure both customers, volunteers and staff had decent office and toilet facilities which would support CLT's growth and increasing footfall.

We plan to grow our retail branches in 2024 to achieve a greater volume of donation volumes and support more communities with low cost, high quality, preloved products.

Systems

In 2023 we invested in a new EPOS system as our previous system was no longer supported and was limiting reporting and data accuracy. This system has now gone live and CLT have seen immediate benefits which support our future growth.

We engaged a new H&S Consultancy 'Rhino Safety Systems' to improve our internal processes and develop a paper free H&S Management System.

We developed a unique and bespoke Social Impact Dashboard allowing us to measure over 80 key performance metrics, this allows us to demonstrate and improve our impact to the Cheshire community.

We began working with MRD IT Support Services to achieve Cyber Essentials Plus accreditation in 2024.

People

Without our dedicated volunteers and staff, our mission would be impossible to achieve. In 2023 the board supported the implementation of the Real Living Wage and recognised the contribution from both staff and volunteers by financially contributing towards social events. This has allowed us to recognise the dedication and effort given by those working within the organisation and themselves feeling the impact of the cost of living crisis.

Furthermore we are focussed on building an open and engaging culture, every month our CEO holds a Grass Roots meeting with representatives from each area of the charity so everyone can feedback any issues or concerns which may be preventing them from delivering great results. We solve these operational problems quickly and we recognise outstanding achievements with a Volunteer and Employee of the Month Scheme which are nominated by our team.

The objective of the Charity currently is to try and remain a Real Living Wage Employer which means the majority of remuneration is defined by the revised RLW hourly figure released each November. All employees above this level are reviewed by the Board of Trustees, including management, and an appropriate figure based on economic circumstances and affordability is agreed, based on bench marketing, qualifications and contribution.

Costs

We have worked hard to renegotiate supplier contracts and eliminate spend wherever possible, closing sites and consolidating our operation, removing and reducing spend. During a period of high inflation our total outgoings did not increase in the year due to this cost cutting. We remain focussed on watching all spend to ensure monies are directed at helping the community.

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

Management Structure

The organisation is operationally led by a CEO reporting into the Board of Trustees. The CEO leads an experienced Head of Department flat hierarchy team listed below.

- CEO
- Head of Retail and Grocery
- Head of Development
- Head of Community Support
- Head of Community Transport
- Head of Finance
- Head of HR
- Head of Operations

Operational ongoing management is the remit of the leadership team with the CEO presenting progress updates on a weekly basis as well as at our bi-monthly Board Meetings. Significant strategic decisions are made at the board meetings with the leadership operating to a matrix of authority. Ad hoc exceptional issues will be raised between the CEO and Chair as and when required.

What was our impact in 2023?

- Our Bulky Waste activity saved over 2.5 tonnes of carbon going into landfill
- Our Help Scheme delivered over £1m worth of products to people in need
- Our Retail customers saved over £150k on buying reuse instead of new products
- Our Reuse team prepared and refurbished over 1,500 items that would have ended up in landfill
- Our Community Grocery gave out over 48,000 bags of shopping, residents shopped with us 24,000 times
- Our Buddy & Befriending Team matched over 360 lonely residents with a volunteer to prevent social isolation
- Family Support helped over 100 families last year
- Community Transport totalled over 24,000 miles and transported residents on over 11,000 journeys

Future planning

The Board hold regular strategic reviews with the Leadership Team to discuss future planning of Changing Lives Together, to collaborate with stakeholders and ask to become involved in a diverse range of issues affecting the community. All new opportunities would go through a detailed planning process to ensure as a minimum;

1. Does this meet our articles
2. Does this integrate and enhance our social impact
3. Can this be financially substantiable
4. Is this achievable

Any future change is then put into our growth and change strategy document which is discussed at each Strategy Meeting with the Board and Leadership Team.

Our key Headline Objectives

1. Growth
2. Health and safety Systems improvements
3. Review of IT infrastructure and Cyber Essential Plus
4. Internal and External Communications
5. ESG
6. Continuous Improvement

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 2023 was £2,623,852 (2022 £2,443,079) and the charity generated a surplus of £19,563 (2022 a deficit of £76,082).

Investment policy

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

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL REVIEW

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 have achieved this, our reserves at 31 December 2023 were £505,226.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Changing Lives Together (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.

Recruitment and appointment of new 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.

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 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.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07400060 (England and Wales)

Registered Charity number

1139983

Registered office

Unit 12 Road Two
Winsford Industrial Estate
Winsford
Cheshire
CW7 3QL

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees

B M Clarke
H E L Dilliway-Nickson
B G Dunn (resigned 23.2.24)
H C Kinsey
P Price
S T Taylor (resigned 19.1.24)
S M Tilling
C F Lees-Jones (appointed 30.6.23)

Auditors

Murray Smith LLP
Chartered Accountants
Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

Solicitors

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

Bankers

Santander UK plc
Bridle Road
Merseyside
L30 4GB

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.

CHANGING LIVES TOGETHER

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

AUDITORS

The auditors, Murray Smith LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 23 May 2024 and signed on its behalf by:

DocuSigned by:

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H E L Dilliway-Nickson - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHANGING LIVES TOGETHER (REGISTERED NUMBER: 07400060)

Opinion

We have audited the financial statements of Changing Lives Together (the 'charitable company') for the year ended 31 December 2023 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 2023 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHANGING LIVES TOGETHER (REGISTERED NUMBER: 07400060)

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.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The audit procedures designed to identify irregularities included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims
- Enquiry of company staff with responsibilities for compliance matters to identify any instances of non-compliance with laws and regulations
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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, intentional misrepresentations or through collusion.

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 (REGISTERED NUMBER: 07400060)**

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.

DocuSigned by:

Michael Benson

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M G Benson (Senior Statutory Auditor)
for and on behalf of Murray Smith LLP
Chartered Accountants
Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

29-05-2024

Date:

CHANGING LIVES TOGETHER**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	17,927	-	17,927	3,791
Charitable activities	6				
Charitable activities		459,801	280,731	740,532	882,302
Other trading activities	4	1,845,735	-	1,845,735	1,536,732
Investment income	5	19,658	-	19,658	17,093
Other income		-	-	-	3,161
Total		<u>2,343,121</u>	<u>280,731</u>	<u>2,623,852</u>	<u>2,443,079</u>
EXPENDITURE ON					
Raising funds	7	1,408,909	13,551	1,422,460	1,438,461
Charitable activities	8				
Charitable activities		<u>904,789</u>	<u>277,040</u>	<u>1,181,829</u>	<u>1,080,700</u>
Total		<u>2,313,698</u>	<u>290,591</u>	<u>2,604,289</u>	<u>2,519,161</u>
NET INCOME/(EXPENDITURE)		29,423	(9,860)	19,563	(76,082)
RECONCILIATION OF FUNDS					
Total funds brought forward		470,803	14,860	485,663	561,745
TOTAL FUNDS CARRIED FORWARD		<u><u>500,226</u></u>	<u><u>5,000</u></u>	<u><u>505,226</u></u>	<u><u>485,663</u></u>

The notes form part of these financial statements

CHANGING LIVES TOGETHER**BALANCE SHEET
31 DECEMBER 2023**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	15	107,859	5,000	112,859	14,563
CURRENT ASSETS					
Stocks	16	90,576	-	90,576	92,751
Debtors	17	156,665	-	156,665	225,863
Cash at bank		385,998	32,128	418,126	574,185
		<u>633,239</u>	<u>32,128</u>	<u>665,367</u>	<u>892,799</u>
CREDITORS					
Amounts falling due within one year	18	(187,798)	(32,128)	(219,926)	(332,505)
NET CURRENT ASSETS		<u>445,441</u>	<u>-</u>	<u>445,441</u>	<u>560,294</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		553,300	5,000	558,300	574,857
CREDITORS					
Amounts falling due after more than one year	19	(53,074)	-	(53,074)	(89,194)
NET ASSETS		<u>500,226</u>	<u>5,000</u>	<u>505,226</u>	<u>485,663</u>
FUNDS	22				
Unrestricted funds				500,226	470,803
Restricted funds				5,000	14,860
TOTAL FUNDS				<u>505,226</u>	<u>485,663</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 23 May 2024 and were signed on its behalf by:

DocuSigned by:

 61AC550AC222478...

H E L Dillway-Nickson - Trustee

CHANGING LIVES TOGETHER**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	(21,854)	10,561
Interest paid		(6,564)	(12,293)
		<u>(28,418)</u>	<u>(1,732)</u>
Net cash used in operating activities			
Cash flows from investing activities			
Purchase of tangible fixed assets		(104,430)	(3,228)
Interest received		11,040	3,200
		<u>(93,390)</u>	<u>(28)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Loan repayments in year		(34,251)	(32,504)
		<u>(34,251)</u>	<u>(32,504)</u>
Net cash used in financing activities			
		<u>(156,059)</u>	<u>(34,264)</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		574,185	608,449
		<u>574,185</u>	<u>608,449</u>
Cash and cash equivalents at the end of the reporting period		<u>418,126</u>	<u>574,185</u>

The notes form part of these financial statements

CHANGING LIVES TOGETHER**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023****1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM
OPERATING ACTIVITIES**

	2023 £	2022 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	19,563	(76,082)
Adjustments for:		
Depreciation charges	6,134	11,152
Losses on investments	-	3
Interest received	(11,040)	(3,200)
Interest paid	6,564	12,293
Decrease in stocks	2,175	15,883
Decrease/(increase) in debtors	69,198	(23,770)
(Decrease)/increase in creditors	(114,448)	74,282
Net cash (used in)/provided by operations	<u>(21,854)</u>	<u>10,561</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.23 £	Cash flow £	At 31.12.23 £
Net cash			
Cash at bank	574,185	(156,059)	418,126
	<u>574,185</u>	<u>(156,059)</u>	<u>418,126</u>
Debt			
Debts falling due within 1 year	(34,251)	(1,869)	(36,120)
Debts falling due after 1 year	(89,194)	36,120	(53,074)
	<u>(123,445)</u>	<u>34,251</u>	<u>(89,194)</u>
Total	<u>450,740</u>	<u>(121,808)</u>	<u>328,932</u>

The notes form part of these financial statements

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 in 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.

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, 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, and 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 acquisitions of a business, and is now fully amortised.

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

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:

Short leasehold	- 10% on cost
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.

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.

Pension costs and other post-retirement benefits

The charitable company makes contribution to employees' pension schemes. Contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****2. ACCOUNTING POLICIES - continued****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.

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	17,927	3,791

4. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Shop income	1,489,918	1,171,750
Waste credits, recycling, scrap and waste collection	355,817	362,622
Training and work experience	-	2,360
	<u>1,845,735</u>	<u>1,536,732</u>

5. INVESTMENT INCOME

	2023	2022
	£	£
Rents received	8,618	13,893
Interest receivable	11,040	3,200
	<u>19,658</u>	<u>17,093</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Transport	Charitable activities	449,547	445,270
Grants	Charitable activities	290,985	437,032
		<u>740,532</u>	<u>882,302</u>

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

	2023	2022
	£	£
General fund	10,254	26,442
Buddying & befriending	4,480	3,808
Break free grant	-	5,096
BSOG	-	6,400
Family support	40,149	63,986
Food hub grant	-	34,293
Groundworks	-	33,370
Kitchen grant	5,000	2,950
Love Lostock Cheshire Food hub	555	1,000
National lottery community fund	75,996	79,224
Sanctuary housing	-	1,500
Slowcooker grant	-	20,600
	<u>136,434</u>	<u>278,669</u>
Carried forward		

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****6. INCOME FROM CHARITABLE ACTIVITIES - continued**

	2023	2022
	£	£
Brought forward	136,434	278,669
Kickstart training	-	2,360
Ukraine project grant	-	1,550
Wellbeing	37,487	31,308
Winter household fund	-	15,479
Winter Box Project	84,248	107,666
VGG Container Rental	2,746	-
Dust Extraction Unit	938	-
VGG Food and Collection	10,000	-
Period Poverty Fund	250	-
Mental Health Grant	18,882	-
	<u>290,985</u>	<u>437,032</u>

7. RAISING FUNDS**Other trading activities**

	2023	2022
	£	£
Opening stock	92,751	108,634
Purchases	660,256	569,034
Closing stock	(90,576)	(92,751)
Staff costs	503,262	605,584
Hire of plant and machinery	23,983	9,081
Licensing	5,076	1,542
Bad debts	-	(12,000)
Vehicle hire	84,788	56,951
Motor expenses	52,682	48,104
Other direct costs	90,238	104,338
Property repairs	-	39,941
Impairment losses	-	3
	<u>1,422,460</u>	<u>1,438,461</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 9) £	Totals £
Charitable activities	<u>1,164,932</u>	<u>16,897</u>	<u>1,181,829</u>

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****9. SUPPORT COSTS**

	Finance	Governance	Totals
	£	costs	£
	£	£	£
Charitable activities	7,242	9,655	16,897

10. NET INCOME/(EXPENDITURE)

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

	2023	2022
	£	£
Auditors' remuneration - current year	8,670	8,500
Auditors' remuneration - accountancy services	-	4,000
Auditors' remuneration - assurance services	972	450
Auditors' remuneration - prior year	-	4,750
Depreciation - owned assets	6,134	11,152
Hire of plant and machinery	23,983	9,081
Other operating leases	62,044	65,035

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2023 nor for the year ended 31 December 2022.

12. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	1,219,015	1,194,038
Social security costs	83,655	69,649
Other pension costs	18,544	16,005
	1,321,214	1,279,692

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

	2023	2022
Management team	5	4
Warehouse/reuse	28	28
Administrative	6	5
Retail	4	4
Community hubs	6	3
Community engagement	9	9
Community transport	18	20
	76	73

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****12. STAFF COSTS - continued**

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

	2023	2022
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
	<u>1</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>1</u></u>

Total emoluments for key management personnel totalled £264,755 (2022: £246,141).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3,791	-	3,791
Charitable activities			
Charitable activities	579,378	302,924	882,302
Other trading activities	1,536,732	-	1,536,732
Investment income	17,093	-	17,093
Other income	3,161	-	3,161
Total	<u>2,140,155</u>	<u>302,924</u>	<u>2,443,079</u>
EXPENDITURE ON			
Raising funds	1,438,461	-	1,438,461
Charitable activities			
Charitable activities	<u>792,636</u>	<u>288,064</u>	<u>1,080,700</u>
Total	<u>2,231,097</u>	<u>288,064</u>	<u>2,519,161</u>
NET INCOME/(EXPENDITURE)	(90,942)	14,860	(76,082)
RECONCILIATION OF FUNDS			
Total funds brought forward	561,745	-	561,745
TOTAL FUNDS CARRIED FORWARD	<u><u>470,803</u></u>	<u><u>14,860</u></u>	<u><u>485,663</u></u>

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****14. INTANGIBLE FIXED ASSETS**

	Goodwill £
COST	
At 1 January 2023	6,157
Disposals	(6,157)
	<u>-</u>
At 31 December 2023	<u>-</u>
AMORTISATION	
At 1 January 2023	6,157
Eliminated on disposal	(6,157)
	<u>-</u>
At 31 December 2023	<u>-</u>
NET BOOK VALUE	
At 31 December 2023	<u>-</u>
	<u>-</u>
At 31 December 2022	<u>-</u>
	<u>-</u>

15. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2023	-	61,922	6,791	34,629	103,342
Additions	95,031	(316)	716	8,999	104,430
	<u>95,031</u>	<u>61,606</u>	<u>7,507</u>	<u>43,628</u>	<u>207,772</u>
At 31 December 2023	<u>95,031</u>	<u>61,606</u>	<u>7,507</u>	<u>43,628</u>	<u>207,772</u>
DEPRECIATION					
At 1 January 2023	-	48,335	6,750	33,694	88,779
Charge for year	-	3,395	327	2,412	6,134
	<u>-</u>	<u>3,395</u>	<u>327</u>	<u>2,412</u>	<u>6,134</u>
At 31 December 2023	<u>-</u>	<u>51,730</u>	<u>7,077</u>	<u>36,106</u>	<u>94,913</u>
NET BOOK VALUE					
At 31 December 2023	<u>95,031</u>	<u>9,876</u>	<u>430</u>	<u>7,522</u>	<u>112,859</u>
	<u>95,031</u>	<u>9,876</u>	<u>430</u>	<u>7,522</u>	<u>112,859</u>
At 31 December 2022	<u>-</u>	<u>13,587</u>	<u>41</u>	<u>935</u>	<u>14,563</u>
	<u>-</u>	<u>13,587</u>	<u>41</u>	<u>935</u>	<u>14,563</u>

16. STOCKS

	2023 £	2022 £
Stocks	<u>90,576</u>	<u>92,751</u>

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Trade debtors	125,271	190,840
Other debtors	8,695	12,464
Prepayments and accrued income	22,699	22,559
	<u>156,665</u>	<u>225,863</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other loans (see note 20)	36,120	34,251
Trade creditors	69,450	103,735
Social security and other taxes	21,812	22,697
VAT	21,178	18,361
Other creditors	4,114	20,022
Deposits held on account	17,850	16,897
Accruals and deferred income	49,402	116,542
	<u>219,926</u>	<u>332,505</u>

	2023	2022
	£	£
Deferred income at 31 December 2022	82,266	96,957
Released from previous years	(82,266)	(96,957)
Income deferred in the year	49,978	82,266
	<u>49,978</u>	<u>82,266</u>

At the balance sheet date the Charity was holding the following income received in advance:

	2023	2022
	£	£
CWaC Furniture Scheme	17,850	16,897
RWT Main Grant	8,499	8,373
CCG Mental Health B&B	2,503	21,385
B&B Main Grant Lottery	18,571	20,280
Winsford Community Grocery Funding	-	6,015
Family Support Invoicing	-	6,933
All other small grants	2,555	2,383
	<u>49,978</u>	<u>82,266</u>

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2023	2022
	£	£
Other loans (see note 20)	53,074	89,194

20. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Other loans	36,120	34,251
Amounts falling between one and two years:		
Other loans - 1-2 years	38,161	36,120
Amounts falling due between two and five years:		
Other loans - 2-5 years	14,913	53,074

21. LEASING AGREEMENTS

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

	2023	2022
	£	£
Within one year	128,433	97,211
Between one and five years	269,961	211,603
	398,394	308,814

22. MOVEMENT IN FUNDS

	At 1.1.23	Net movement in funds	At 31.12.23
	£	£	£
Unrestricted funds			
General fund	470,803	29,423	500,226
Restricted funds			
Food Hub Grant	14,860	(14,860)	-
Kitchen Grant	-	5,000	5,000
	14,860	(9,860)	5,000
TOTAL FUNDS	485,663	19,563	505,226

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****22. 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	2,343,121	(2,313,698)	29,423
Restricted funds			
Family Support	40,149	(40,149)	-
National Lottery Community Fund	75,996	(75,996)	-
Wellbeing	37,487	(37,487)	-
Food Hub Grant	-	(14,860)	(14,860)
Buddying & Befriending	4,480	(4,480)	-
Love Lostock Cheshire Food Hub	555	(555)	-
Kitchen Grant	5,000	-	5,000
Mental Health	18,882	(18,882)	-
Winter Box Project	84,248	(84,248)	-
VGG Container Rental	2,746	(2,746)	-
Dust Extraction Unit	938	(938)	-
VGG Food and Collection	10,000	(10,000)	-
Period Poverty Fund	250	(250)	-
	<u>280,731</u>	<u>(290,591)</u>	<u>(9,860)</u>
TOTAL FUNDS	<u><u>2,623,852</u></u>	<u><u>(2,604,289)</u></u>	<u><u>19,563</u></u>

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	561,745	(90,942)	470,803
Restricted funds			
Food Hub Grant	-	14,860	14,860
TOTAL FUNDS	<u><u>561,745</u></u>	<u><u>(76,082)</u></u>	<u><u>485,663</u></u>

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****22. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,140,155	(2,231,097)	(90,942)
Restricted funds			
Break Free Grant	5,096	(5,096)	-
Groundworks	33,370	(33,370)	-
Family Support	63,986	(63,986)	-
National Lottery Community Fund	79,224	(79,224)	-
Wellbeing	31,308	(31,308)	-
Slowcooker Grant	20,600	(20,600)	-
BSOG	1,833	(1,833)	-
Food Hub Grant	38,860	(24,000)	14,860
Buddying & Befriending	3,808	(3,808)	-
Winter Household Fund	15,479	(15,479)	-
Sanctuary Housing	1,500	(1,500)	-
Love Lostock Cheshire Food Hub	1,000	(1,000)	-
Kitchen Grant	2,950	(2,950)	-
Kickstart Training	2,360	(2,360)	-
Ukraine Project Grant	1,550	(1,550)	-
	<u>302,924</u>	<u>(288,064)</u>	<u>14,860</u>
TOTAL FUNDS	<u><u>2,443,079</u></u>	<u><u>(2,519,161)</u></u>	<u><u>(76,082)</u></u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.22 £	Net movement in funds £	At 31.12.23 £
Unrestricted funds			
General fund	561,745	(61,519)	500,226
Restricted funds			
Kitchen Grant	-	5,000	5,000
TOTAL FUNDS	<u><u>561,745</u></u>	<u><u>(56,519)</u></u>	<u><u>505,226</u></u>

CHANGING LIVES TOGETHER**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****22. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	4,483,276	(4,544,795)	(61,519)
Restricted funds			
Break Free Grant	5,096	(5,096)	-
Groundworks	33,370	(33,370)	-
Family Support	104,135	(104,135)	-
National Lottery Community Fund	155,220	(155,220)	-
Wellbeing	68,795	(68,795)	-
Slowcooker Grant	20,600	(20,600)	-
BSOG	1,833	(1,833)	-
Food Hub Grant	38,860	(38,860)	-
Buddying & Befriending	8,288	(8,288)	-
Winter Household Fund	15,479	(15,479)	-
Sanctuary Housing	1,500	(1,500)	-
Love Lostock Cheshire Food Hub	1,555	(1,555)	-
Kitchen Grant	7,950	(2,950)	5,000
Kickstart Training	2,360	(2,360)	-
Ukraine Project Grant	1,550	(1,550)	-
Mental Health	18,882	(18,882)	-
Winter Box Project	84,248	(84,248)	-
VGG Container Rental	2,746	(2,746)	-
Dust Extraction Unit	938	(938)	-
VGG Food and Collection	10,000	(10,000)	-
Period Poverty Fund	250	(250)	-
	583,655	(578,655)	5,000
TOTAL FUNDS	5,066,931	(5,123,450)	(56,519)

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

22. MOVEMENT IN FUNDS - continued

Family Support - Schools invoiced by Terms for Support provided to primary schools by CLT - Funds cover wages of Support staff, management costs and admin fees.

National Lottery Community Fund - Funds received from the National Lottery Community fund - covers Buddy & Befriending wages, management costs and admin fees.

Wellbeing - Funds to assist with the costs of activities across Community support teams - Funds from Grants released to income for Community Support departments and Business development.

Food Hub Grant - Support towards running costs of the Northwich Community Hub.

Buddying & Befriending - Support towards activities for the Buddy & Befriending team, admin and management costs.

Love Lostock Cheshire Food Hub - Support towards running costs of the Northwich Community Hub.

Kitchen Grant - Funds for the New Kitchen at Winsford Community Hub.

Mental Health - Funds cover wages of Support staff, management costs and admin fees for the Mental Health section of Buddy & Befriending.

Winter Box Project - Funds to cover the costs of Christmas Food Boxes supplied by CLT, includes management and admin costs.

VGG Container Rental - Funds to help towards the cost of Refrigerated container hire sited at Northwich Community Hub.

Dust Extraction Unit - Funds towards cost and maintenance of the unit at Winsford Hub Road Two.

VGG Food and Collection - Funds towards staple food provided for the Very Green Groceries and collections.

Period Poverty Fund - Funds towards sanitary products provided at the Northwich Community Hub.

23. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2023.

CHANGING LIVES TOGETHER**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	17,927	3,791
Other trading activities		
Shop income	1,489,918	1,171,750
Waste credits, recycling, scrap and waste collection	355,817	362,622
Training and work experience	-	2,360
	1,845,735	1,536,732
Investment income		
Rents received	8,618	13,893
Interest receivable	11,040	3,200
	19,658	17,093
Charitable activities		
Transport	449,547	445,270
Grants	290,985	437,032
	740,532	882,302
Other income		
Other income	-	3,161
	-	3,161
Total incoming resources	2,623,852	2,443,079
EXPENDITURE		
Other trading activities		
Opening stock	92,751	108,634
Purchases	660,256	569,034
Wages	503,262	605,584
Hire of plant and machinery	23,983	9,081
Licensing	5,076	1,542
Bad debts	-	(12,000)
Vehicle hire	84,788	56,951
Motor expenses	52,682	48,104
Other direct costs	90,238	104,338
Property repairs	-	39,941
Impairment losses for fixed asset investments	-	3
Closing stock	(90,576)	(92,751)
	1,422,460	1,438,461
Charitable activities		
Wages	715,753	588,454
Carried forward	715,753	588,454

This page does not form part of the statutory financial statements

CHANGING LIVES TOGETHER**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
Charitable activities		
Brought forward	715,753	588,454
Social security	83,655	69,649
Pensions	18,544	16,005
Other operating leases	62,044	65,035
Direct costs	278,802	290,205
Plant and machinery	3,395	8,922
Fixtures and fittings	327	229
Computer equipment	2,412	2,001
	1,164,932	1,040,500
Support costs		
Finance		
Bank charges	629	943
Late payment fees	49	-
Bank interest	-	3,730
Bank loan interest	6,564	8,563
	7,242	13,236
Governance costs		
Auditors' remuneration - current year	9,642	12,950
Auditors' remuneration - prior year	-	4,750
Other governance costs	13	9,264
	9,655	26,964
Total resources expended	2,604,289	2,519,161
Net income/(expenditure)	<u>19,563</u>	<u>(76,082)</u>

Changing Lives Together

Audit Completion Report Year ended 31 December 2023

8 May 2024

Strictly private and confidential

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Heidi Dilliway-Nickson
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29-05-2024

Heidi Dilliway-Nickson



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This document is prepared solely for Changing Lives Together and should be read in its entirety. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must be obtained before this document, or any part of it, is disclosed to a third party.



1 Executive summary

Principal conclusions

Our audit has been conducted in accordance with International Standards on Auditing (UK) and our approach was based on a profit and loss and balance sheet audit using detailed substantive testing techniques. Analytical review procedures have been used at the planning and completion stages to help ensure that our testing is focused on the key areas and that the reported figures are consistent with our expectations.

In section 2 of this report, we have set out our conclusions and findings from our audit. This section includes conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum of which the principal ones were:

- Management override of controls.
- Revenue recognition.
- Completeness and accuracy of creditors, accruals and deferred income
- Accuracy of trade debtors.
- Going concern.
- Related party transactions.

Unadjusted misstatements

Section 7 sets out the unadjusted misstatements identified during our audit work. In aggregate all unadjusted errors are immaterial.

Status of the audit and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 December 2023.

We are pleased to report that subject to discussion of the matters raised in this report and a further review of post balance sheet events, it is our intention to issue an unqualified opinion, without modification, on the financial statements.

We would like to take this opportunity to express our thanks to the Changing Lives Together staff for their assistance during our audit. We received full cooperation and transparency during the audit.



2 Audit findings

Set out below are the significant findings from our audit. These findings include:

- our audit conclusions regarding significant risks and key areas of management judgement;
- our comments in respect of the accounting policies and disclosures that have been adopted in the financial statements;
- any further significant matters discussed with management; and
- any significant difficulties we experienced during the audit.

Significant risks and key areas of management judgement

Management override of controls	Description of risk Under ISA 240 (UK) there is a presumption that the risk of management override of controls is present in all entities. Management at various levels within an organisation are in a position to perpetrate fraud because of their ability to manipulate accounting records by overriding controls.
	How we addressed this risk We undertook the following audit procedures in this area: • Reviewed accounting estimates, judgements and decisions made by management. • Reviewed any large and/or unusual transactions. • Tested a sample of journals throughout the year as well as pre and post year-end adjustments.
	Audit conclusion No significant issues or instances of management override of internal controls were identified from our audit procedures.



2 Audit findings (continued)

Revenue recognition	Description of risk
	Under ISA 240 (UK) there is a presumed risk that revenue may be misstated due to the improper recognition of revenue (including under and overstatement).
	How we addressed this risk
	We undertook the following audit procedures in relation to revenue; • Reviewed recognition policies for appropriateness under FRS 102. • Reviewed income recognised in the year, compared to expectations and prior years, and obtained explanations for significant or unusual variances. • Reviewed and tested cut off at the year end. • Reviewed and tested deferred income to ensure that revenue has been appropriately recognized.
	Audit conclusion
	There are no significant issues or instances of improper revenue recognition which were identified from our audit procedures.



2 Audit findings (continued)

Completeness and accuracy of creditors, accruals and deferred income	Description of risk The level and size of transactions for the company increases the risk of errors in recording liabilities accurately and on a timely basis. How we addressed this risk We undertook the following audit procedures in this area; • Vouched a sample of supplier statements to agree 'key' supplier balances at the year end. • Tested a sample of invoices received and supplier payments made during the period following the year end to ensure liabilities have been recognised in the appropriate period. • Performed a review of accruals and any provisions at the year end. • Performed a review of deferred income and any provisions at the year end. Audit conclusion There are no significant issues with the completeness of creditors, accruals and deferred income which were identified from our audit procedures.
Accuracy of trade debtors	Description of risk The level and size of transactions for the company increases the risk of recoverability and potential misstatement. How we addressed this risk We undertook the following audit procedures in this area: • Reviewed post year end customer receipts to agree a number of large customer balances at the year end. • Carried out cut off testing and reviewed post year end credit notes to ensure the year end balance was correctly stated. Audit conclusion There are no significant issues with the accuracy of trade debtors which were identified from our audit procedures.



2 Audit findings (continued)

Going concern	Description of risk Under ISA 570 (UK) there is a presumed risk of management bias when carrying out an assessment of the entity's ability to continue as a going concern. How we addressed this risk We undertook the following audit procedures in this area: • Obtained post year end management accounts and the forecasts for 2024 and 2025 and considered whether these support the going concern assumption. • Reviewed post year end bank statements for any unusual transactions or indications that going concern is not appropriate. • Considered financial, operational, and other indicators which may suggest that the use of going concern is not appropriate. Audit conclusion We did not identify any issues in respect of the adoption of the going concern assumption. We are satisfied the going concern disclosures in the financial statements are appropriate.
Related party balances	Description of risk Under ISA 550 (UK) there is a presumed risk of material misstatement connected with the entity's failure to account for and disclosure related party relationships and transactions in line with the applicable financial reporting framework. How we addressed this risk We undertook the following audit procedures in this area: • Obtained an understanding of related party relationships and transactions. • Reviewed documents and records for unidentified or undisclosed related party balance transactions. Audit conclusion We did not identify any issues in respect of related party transactions. We are satisfied the related party disclosures in the financial statements are appropriate.



2 Audit findings (continued)

Accounting policies and disclosures

We have reviewed the accounting policies and disclosures in the financial statements and concluded they comply with applicable accounting standards including United Kingdom Account Standards (United Kingdom Generally Accepted Accounting Practice) (FRS 102) “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

Significant matters discussed with management

There have been no significant matters discussed with management.

Significant difficulties during the audit

We did not encounter any significant difficulties during our audit, and we have had the full cooperation of management.



3 Financial highlights

Statement of Financial Activities

	2023 £'000	2022 £'000	2021 £'000
Income			
Donations and legacies	18	4	7
Transport	450	445	417
Grants	291	437	718
Other trading activities	1,845	1,537	1,373
Investment and other income	20	20	67
Total income	2,624	2,443	2,582
Staff costs	(1,321)	(1,280)	(1,156)
Other trading activities - expenditure	(919)	(834)	(952)
Administrative expenses	(359)	(394)	(236)
Depreciation	(6)	(11)	(14)
Net movement in funds	19	(76)	224
Fund balance brought forward	486	562	338
Fund balances on 31 December 2023	505	486	562



3 Financial highlights (continued)

Total income has increased by approximately 7% from 2022 to 2023, mainly due to an increase of shop income.

Staff costs measured against total income represented 50.3% (2022: 52.4%). FY22 included £52k of redundancy costs as well as additional costs due to the crossover of some job roles.

In overview, FY23 produced a surplus of £19k. This is a significant improvement from FY22 and is partly due a stable workforce and no large property repairs included in expenditure.



3 Financial highlights (continued)

Statement of Financial Position

	2023 £'000	2022 £'000
Fixed assets – Tangible	113	15
Current assets		
Stock	91	93
Trade debtors	125	191
Other debtors and prepayments	31	35
Cash at bank and in hand	418	574
Total current assets	665	893
Current liabilities		
Trade creditors	(69)	(104)
Other taxation and social security	(43)	(41)
Other loans	(36)	(34)
Other creditors	(22)	(37)
Accruals and deferred income	(50)	(117)
Total current liabilities	(220)	(333)
Net current assets	445	560
Loans due after one year	(53)	(89)
Net assets	505	486

The fixed asset increase reflects a depreciation charge of £6k and capital expenditure of £104k on improvements to the warehouse.

The year end cash balance of £418k is down by £156k on the previous period as a result of the capital expenditure.

Trade creditors decreased from £104k in 2022 to £69k in 2023 as there were some large domestic appliances purchased in the last month of 2022 totaling £47k.

The liquidity position remains strong with net current assets at £445k.

The net assets have increased to £505k due to the £19k surplus for the year.



4 Other communication requirements

Potential issue	Comments
Matters in relation to fraud	We have not been made aware of any significant incidents during the year and no issues have been identified during the course of our audit procedures.
Matters in relation to related parties	We are not aware of any related party transactions which have not been disclosed by management.
Matters in relation to laws and regulations	We are not aware of any significant instances of non-compliance with relevant laws and regulations that could have a significant impact on the financial statements.
Written representations	A specific representation has been requested in respect of the basis of preparation of the financial statements.
Confirmation requests from third parties	We have requested and obtained direct confirmation from the banks of the balances on all bank accounts and facilities as at 31 December 2023.
Disclosures	Our review has found no material omissions in the financial statements.



5 Internal controls

The purpose of an audit is for the auditor to express an opinion on the financial statements. Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

The matters being reported are limited to those deficiencies that the auditor has identified during the audit and that the auditor has concluded are of sufficient importance to merit being reported to those charged with governance. (ISA UK 265)

No	Issue and risk	Recommendations	Risk	Management comment	Timescale
1	Prepayments and accruals Prepayment and accruals listings are not maintained throughout the year.	The finance team should prepare and maintain detailed prepayment and accruals listings throughout the year. These should be agreed to the monthly management accounts.	Low	Agreed by Head of Finance and will be implemented going forwards.	Immediately
2	Debit Cards Debit cards are held by the heads of departments. There are no limits for the amounts that can be spent on these cards, and there is no pre-authorisation of any transactions.	The board should review the current policy and consider if it is still appropriate for the Charity. An alternative would be the use of credit cards; this would allow the Charity to set spending limits as well as receiving monthly statements.	Low	We have asked all management to adhere to the delegated authority matrix and to ensure all purchases are put into Sage, this will mean we have reasons for the purchase and an image of a receipt. The information is instantaneously available to finance to view, we do not see a need to bring in credit cards	N/A

6 Adjustments



During the audit the following adjustments were agreed with the Charity's management:

	£000	£000
Net income/(expenditure) per initial trial balance		6
Opening balance adjustments	<u>6</u>	6
Other adjustments:		
Overstatement of accruals – release of FY22 accruals	19	
Overstatement of prepayments – release of FY22 prepayments	<u>(12)</u>	7
Net income/(expenditure) per 2023 accounts		19



7 Unadjusted misstatements

Potential errors		Statement of comprehensive income		Balance sheet		Profit/(loss) effect	Reason for not adjusting
		Dr £'000	Cr £'000	Dr £'000	Cr £'000	£'000	
Cr	<i>Rent</i>		1			1	Not considered material
Dr	<i>Prepayments</i>			1			
	<i>Being purchase cut off error</i>						
						1	Total Profit and Loss effect

8 Independence and ethics



In accordance with professional requirements and our ongoing risk assessment, we have reviewed the relationships between Murray Smith LLP and Changing Lives Together that are relevant to the independence and the objectivity of the audit partner and the audit staff.

We can confirm that there are no significant facts or matters that impact our independence as auditors, except for our involvement in the preparation of financial statements and safeguards have been implemented in this respect. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each staff member, are independent and are able to express an objective opinion on the financial statements.

9 Communication of audit matters with those charged with governance



Communication	Audit Planning Memo	Audit Completion Report
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of planned scope, approach, and timing	✓	
Confirmation of independence and ethical standards	✓	✓
Significant risks and key judgemental areas	✓	✓
Significant matters in relation to going concern	✓	✓
Significant findings from the audit		✓
Significant matters and issues arising during the audit and written representations have been sought		✓
Significant difficulties encountered during the audit		✓
Significant matters arising in connection to related parties		✓
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		✓
Non-compliance with laws and regulations		✓
Unadjusted misstatements		✓
Any expected modifications to the auditor's report		✓

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

The Audit Planning Memorandum outlined our audit strategy and plan to deliver the audit, while this Audit Completion report presents key issues, findings and other matters which arose from the audit, together with an explanation as to how they have been resolved.

We, as auditors, are responsible for forming and expressing an opinion on the financial statements. Our responsibilities are also set out in the engagement letter.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Accounts

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

CHANGING LIVES TOGETHER
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022. 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).

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.

Operational and retail

Affordable furniture, paint and appliances

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. This saved consumers over £500,000 in buying preloved instead of new.

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 2022, we supported over 5,000 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, last year we collected nearly 7000 products, reusing or recycling 49%.

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 has enabled 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 delivers 300 matches between volunteers and clients each year.

Throughout the year our team of Family Support 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.

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The Cheshire Food Hub now rebranded as The Very Green Grocery

Since starting out in 2020, the food hub has gone from strength to strength in its provision and distribution of surplus food across Cheshire West. Utilising two vehicles we are collecting tonnes of surplus food across Cheshire, last year alone we calculate over 13,000 individual shops took place saving customers £250,000 in food costs and reducing carbon emissions by 500 tonnes of food intended for landfill.

In November 2022 we rebranded our community grocery to ensure an attractive shopping environment, protecting the dignity of our customers and we are now serving an average of 100 shoppers per session, 3 times a week. Our shoppers pay £5 a shop and take away around £20-£25 of food, helping them stretch their budgets whilst reducing food waste. With the of living crisis this service has seen 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.

Our site at Lostock has also been opened Monday to Friday with Community Café offering low-cost hot food, the site now functions fully as a Community Centre open for use by partners and community groups. In 2023 we will also acquire another site in Winsford to open a second Very Green Grocery and Community Centre.

Further more CLT is exploring the opportunity to provide surplus food distribution to the whole of Cheshire through a dedicated warehouse facility.

Community transport branded as Yourbus

We operate our Community Transport minibus services (Yourbus), which is contracted by Cheshire West and Chester Council. 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.

At the end of 2022 we relocated the service from offices in Northwich to our Head Office at Winsford, this enabled us to reduce running costs as well as providing more secure storage of vehicles.

With over 2,000 schools trips and over 3,000 adult social care trips, the team transported over 10,000 passengers in 2022.

How many lives did we change in 2022?

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;
- Supporting the distribution of surplus food prevents landfill and feeds people in a cost of living crisis.
- 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 6,000 items - furniture, appliances, paint & electrical waste - from landfill;
- Saving over 45,000 tons of CO2 from our atmosphere, including the cost of production of new equivalent goods instead of preloved ;
- Supporting 7,500 families with furniture and white goods.
- Our collective services saved consumers over £1 million pounds from our homewares and food supply.

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.

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 was £2,443,079 (2021 £2,582,394) and the charity incurred a deficit of £76,082 (2021 a surplus of £224,190).

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 2022 were £485,663.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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.

Recruitment and appointment of new 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.

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 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.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07400060 (England and Wales)

Registered Charity number

1139983

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

Registered office

Unit 12 Road Two
Winsford Industrial Estate
Winsford
Cheshire
CW7 3QL

Trustees

B M Clarke
H E L Dilliwaiy-Nickson
B G Dunn
H C Kinsey (appointed 23.8.22)
P Price
S T Taylor
S M Tilling

Auditors

Murray Smith LLP
Chartered Accountants
Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

Solicitors

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

Bankers

Santander UK plc
Bridle Road
Merseyside
L30 4GB

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.

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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.

AUDITORS

The auditors, Murray Smith LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 15 June 2023 and signed on its behalf by:

B G Dunn - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHANGING LIVES TOGETHER (REGISTERED NUMBER: 07400060)

Opinion

We have audited the financial statements of Changing Lives Together (the 'charitable company') for the year ended 31 December 2022 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 2022 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHANGING LIVES TOGETHER (REGISTERED NUMBER: 07400060)

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.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The audit procedures designed to identify irregularities included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims
- Enquiry of company staff with responsibilities for compliance matters to identify any instances of non-compliance with laws and regulations
- Reviewing any minutes available of meetings of those charged with governance
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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, intentional misrepresentations or through collusion.

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 (REGISTERED NUMBER: 07400060)**

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.

M G Benson (Senior Statutory Auditor)
for and on behalf of Murray Smith LLP
Chartered Accountants
Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

Date:

CHANGING LIVES TOGETHER

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	3,791	-	3,791	7,229
Charitable activities	6				
Charitable activities		579,378	302,924	882,302	1,134,716
Other trading activities	4	1,536,732	-	1,536,732	1,372,767
Investment income	5	17,093	-	17,093	4,656
Other income		3,161	-	3,161	63,026
Total		<u>2,140,155</u>	<u>302,924</u>	<u>2,443,079</u>	<u>2,582,394</u>
EXPENDITURE ON					
Raising funds	7	1,438,461	-	1,438,461	952,395
Charitable activities	8				
Charitable activities		<u>792,636</u>	<u>288,064</u>	<u>1,080,700</u>	<u>1,405,809</u>
Total		<u>2,231,097</u>	<u>288,064</u>	<u>2,519,161</u>	<u>2,358,204</u>
NET INCOME/(EXPENDITURE)		(90,942)	14,860	(76,082)	224,190
RECONCILIATION OF FUNDS					
Total funds brought forward		561,745	-	561,745	337,555
TOTAL FUNDS CARRIED FORWARD		<u><u>470,803</u></u>	<u><u>14,860</u></u>	<u><u>485,663</u></u>	<u><u>561,745</u></u>

The notes form part of these financial statements

CHANGING LIVES TOGETHER

BALANCE SHEET 31 DECEMBER 2022

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	15	14,563	-	14,563	22,487
Investments	16	-	-	-	3
		<u>14,563</u>	<u>-</u>	<u>14,563</u>	<u>22,490</u>
CURRENT ASSETS					
Stocks	17	92,751	-	92,751	108,634
Debtors	18	216,030	9,833	225,863	202,093
Cash at bank		<u>499,971</u>	<u>74,214</u>	<u>574,185</u>	<u>608,449</u>
		808,752	84,047	892,799	919,176
CREDITORS					
Amounts falling due within one year	19	(263,318)	(69,187)	(332,505)	(256,476)
		<u>545,434</u>	<u>14,860</u>	<u>560,294</u>	<u>662,700</u>
NET CURRENT ASSETS					
		545,434	14,860	560,294	662,700
TOTAL ASSETS LESS CURRENT LIABILITIES					
		559,997	14,860	574,857	685,190
CREDITORS					
Amounts falling due after more than one year	20	(89,194)	-	(89,194)	(123,445)
		<u>470,803</u>	<u>14,860</u>	<u>485,663</u>	<u>561,745</u>
NET ASSETS					
		470,803	14,860	485,663	561,745
FUNDS	23				
Unrestricted funds				470,803	561,745
Restricted funds				<u>14,860</u>	<u>-</u>
TOTAL FUNDS				<u>485,663</u>	<u>561,745</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 15 June 2023 and were signed on its behalf by:

B G Dunn - Trustee

CHANGING LIVES TOGETHER

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	10,561	214,317
Interest paid		(12,293)	(8,298)
Net cash (used in)/provided by operating activities		(1,732)	206,019
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,228)	(1,148)
Interest received		3,200	421
Net cash used in investing activities		(28)	(727)
Cash flows from financing activities			
New loans in year		-	79,653
Loan repayments in year		(32,504)	(32,119)
Net cash (used in)/provided by financing activities		(32,504)	47,534
Change in cash and cash equivalents in the reporting period		(34,264)	252,826
Cash and cash equivalents at the beginning of the reporting period		608,449	355,623
Cash and cash equivalents at the end of the reporting period		574,185	608,449

The notes form part of these financial statements

CHANGING LIVES TOGETHER

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(76,082)	224,190
Adjustments for:		
Depreciation charges	11,152	14,079
Losses on investments	3	-
Interest received	(3,200)	(421)
Interest paid	12,293	8,298
Decrease/(increase) in stocks	15,883	(17,505)
(Increase)/decrease in debtors	(23,770)	142,297
Increase/(decrease) in creditors	74,282	(156,621)
Net cash provided by operations	<u>10,561</u>	<u>214,317</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22 £	Cash flow £	At 31.12.22 £
Net cash			
Cash at bank	<u>608,449</u>	<u>(34,264)</u>	<u>574,185</u>
	<u>608,449</u>	<u>(34,264)</u>	<u>574,185</u>
Debt			
Debts falling due within 1 year	(32,504)	(1,747)	(34,251)
Debts falling due after 1 year	<u>(123,445)</u>	<u>34,251</u>	<u>(89,194)</u>
	<u>(155,949)</u>	<u>32,504</u>	<u>(123,445)</u>
Total	<u>452,500</u>	<u>(1,760)</u>	<u>450,740</u>

The notes form part of these financial statements

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 in 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 201) '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.

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, 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, and 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 acquisitions of a business, and is now fully amortised.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 makes contribution to employees' pension schemes. Contributions payable 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 2022

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	3,791	7,229

4. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Shop income	1,171,750	1,038,429
Waste credits, recycling, scrap and waste collection	362,622	327,138
Training and work experience	2,360	7,200
	<u>1,536,732</u>	<u>1,372,767</u>

5. INVESTMENT INCOME

	2022	2021
	£	£
Rents received	13,893	4,235
Interest receivable	3,200	421
	<u>17,093</u>	<u>4,656</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022	2021
		£	£
Transport	Charitable activities	445,270	416,723
Grants	Charitable activities	437,032	717,993
		<u>882,302</u>	<u>1,134,716</u>

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

	2022	2021
	£	£
General fund	134,108	242,105
Buddying & befriending	3,808	-
Break free grant	5,096	9,608
BSOG	6,400	-
DEFRA - Food hub	-	32,385
Edsential community	-	147,691
Family support	63,986	94,851
Food hub grant	34,293	-
Groundworks	33,370	33,000
Kitchen grant	2,950	-
Love Lostock Cheshire Food hub	1,000	-
National lottery community fund	79,224	91,943
Sanctuary housing	1,500	-
Slowcooker grant	20,600	37,903
Kickstart training	2,360	-
Ukraine project grant	1,550	-
Wellbeing	31,308	28,507
Winter household fund	15,479	-
	<u>437,032</u>	<u>717,993</u>

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

7. RAISING FUNDS

Other trading activities

	2022	2021
	£	£
Opening stock	108,634	91,129
Purchases	569,034	689,860
Closing stock	(92,751)	(108,634)
Staff costs	605,584	-
Hire of plant and machinery	9,081	7,437
Licensing	1,542	4,129
Bad debts	(12,000)	12,000
Vehicle hire	56,951	60,424
Motor expenses	48,104	72,014
Sub contractors	-	81,427
Other direct costs	104,338	42,609
Property repairs	39,941	-
Impairment losses	3	-
	<u>1,438,461</u>	<u>952,395</u>

In the prior period all staff costs were disclosed under charitable activities.

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 9) £	Totals £
Charitable activities	<u>1,040,500</u>	<u>40,200</u>	<u>1,080,700</u>

9. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Charitable activities	<u>13,236</u>	<u>26,964</u>	<u>40,200</u>

10. NET INCOME/(EXPENDITURE)

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

	2022	2021
	£	£
Auditors' remuneration - current year	8,500	17,622
Auditors' remuneration - accountancy services	4,000	-
Auditors' remuneration - assurance services	450	-
Auditors' remuneration - prior year	4,750	-
Depreciation - owned assets	11,152	14,079
Hire of plant and machinery	9,081	7,437
Other operating leases	<u>65,035</u>	<u>156,088</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

12. STAFF COSTS

	2022 £	2021 £
Wages and salaries	1,194,038	1,081,578
Social security costs	69,649	57,096
Other pension costs	16,005	16,995
	<u>1,279,692</u>	<u>1,155,669</u>

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

	2022	2021
Management team	4	5
Warehouse/reuse	28	24
Administrative	5	9
Retail	4	5
Community hubs	3	3
Community engagement	9	12
Community transport	20	17
	<u>73</u>	<u>75</u>

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

	2022	2021
£60,001 - £70,000	<u>1</u>	<u>-</u>

Total emoluments for key management personnel totalled £241,616 (2021: £197,808).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	7,229	-	7,229
Charitable activities			
Charitable activities	658,828	475,888	1,134,716
Other trading activities	1,372,767	-	1,372,767
Investment income	4,656	-	4,656
Other income	63,026	-	63,026
Total	<u>2,106,506</u>	<u>475,888</u>	<u>2,582,394</u>

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
EXPENDITURE ON			
Raising funds	952,395	-	952,395
Charitable activities			
Charitable activities	929,921	475,888	1,405,809
Total	<u>1,882,316</u>	<u>475,888</u>	<u>2,358,204</u>
NET INCOME	224,190	-	224,190
RECONCILIATION OF FUNDS			
Total funds brought forward	337,555	-	337,555
TOTAL FUNDS CARRIED FORWARD	<u><u>561,745</u></u>	<u><u>-</u></u>	<u><u>561,745</u></u>

14. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2022 and 31 December 2022	<u>6,157</u>
AMORTISATION	
At 1 January 2022 and 31 December 2022	<u>6,157</u>
NET BOOK VALUE	
At 31 December 2022	<u>-</u>
At 31 December 2021	<u><u>-</u></u>

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

15. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2022	60,026	6,791	33,297	100,114
Additions	1,896	-	1,332	3,228
At 31 December 2022	61,922	6,791	34,629	103,342
DEPRECIATION				
At 1 January 2022	39,413	6,521	31,693	77,627
Charge for year	8,922	229	2,001	11,152
At 31 December 2022	48,335	6,750	33,694	88,779
NET BOOK VALUE				
At 31 December 2022	13,587	41	935	14,563
At 31 December 2021	20,613	270	1,604	22,487

16. FIXED ASSET INVESTMENTS

There were no investment assets outside the UK.

The charity owned 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) - Dissolved 21/02/2023
- Changing Lives in Ellesmere Port Limited (11534973) - Dissolved 21/02/2023
- Changing Lives in Warrington Limited (09842887) - Dissolved 21/02/2023

17. STOCKS

	2022 £	2021 £
Stocks	92,751	108,634

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	190,840	167,356
Other debtors	12,464	10,352
Prepayments and accrued income	22,559	24,385
	225,863	202,093

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other loans (see note 21)	34,251	32,504
Trade creditors	103,735	46,635
Social security and other taxes	22,697	26,882
VAT	18,361	6,556
Other creditors	20,022	2,920
Deposits held on account	16,897	22,723
Accruals and deferred income	116,542	118,256
	<u>332,505</u>	<u>256,476</u>

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

	2022	2021
	£	£
Other loans (see note 21)	<u>89,194</u>	<u>123,445</u>

21. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>34,251</u>	<u>32,504</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>36,120</u>	<u>34,251</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>53,074</u>	<u>89,194</u>

22. LEASING AGREEMENTS

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

	2022	2021
	£	£
Within one year	97,211	56,190
Between one and five years	211,603	217,800
In more than five years	-	117,975
	<u>308,814</u>	<u>391,965</u>

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

23. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	561,745	(90,942)	470,803
Restricted funds			
Food Hub Grant	-	14,860	14,860
TOTAL FUNDS	<u>561,745</u>	<u>(76,082)</u>	<u>485,663</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,140,155	(2,231,097)	(90,942)
Restricted funds			
Break Free Grant	5,096	(5,096)	-
Groundworks	33,370	(33,370)	-
Family Support	63,986	(63,986)	-
National Lottery Community Fund	79,224	(79,224)	-
Wellbeing	31,308	(31,308)	-
Slowcooker Grant	20,600	(20,600)	-
BSOG	1,833	(1,833)	-
Food Hub Grant	38,860	(24,000)	14,860
Buddying & Befriending	3,808	(3,808)	-
Winter Household Fund	15,479	(15,479)	-
Sanctuary Housing	1,500	(1,500)	-
Love Lostock Cheshire Food Hub	1,000	(1,000)	-
Kitchen Grant	2,950	(2,950)	-
Kickstart Training	2,360	(2,360)	-
Ukraine Project Grant	1,550	(1,550)	-
	<u>302,924</u>	<u>(288,064)</u>	<u>14,860</u>
TOTAL FUNDS	<u>2,443,079</u>	<u>(2,519,161)</u>	<u>(76,082)</u>

Comparatives for 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
TOTAL FUNDS	<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 2022

23. MOVEMENT IN FUNDS - continued

Comparative 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><u>2,582,394</u></u>	<u><u>(2,358,204)</u></u>	<u><u>224,190</u></u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.21 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	337,555	133,248	470,803
Restricted funds			
Food Hub Grant	-	14,860	14,860
	<u>337,555</u>	<u>148,108</u>	<u>485,663</u>
TOTAL FUNDS	<u><u>337,555</u></u>	<u><u>148,108</u></u>	<u><u>485,663</u></u>

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

23. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	4,246,661	(4,113,413)	133,248
Restricted funds			
Break Free Grant	14,704	(14,704)	-
Groundworks	66,370	(66,370)	-
Family Support	158,837	(158,837)	-
National Lottery Community Fund	171,167	(171,167)	-
Edsential Community	147,691	(147,691)	-
DEFRA - Food Hub	32,385	(32,385)	-
Wellbeing	59,815	(59,815)	-
Slowcooker Grant	58,503	(58,503)	-
BSOG	1,833	(1,833)	-
Food Hub Grant	38,860	(24,000)	14,860
Buddying & Befriending	3,808	(3,808)	-
Winter Household Fund	15,479	(15,479)	-
Sanctuary Housing	1,500	(1,500)	-
Love Lostock Cheshire Food Hub	1,000	(1,000)	-
Kitchen Grant	2,950	(2,950)	-
Kickstart Training	2,360	(2,360)	-
Ukraine Project Grant	1,550	(1,550)	-
	<u>778,812</u>	<u>(763,952)</u>	<u>14,860</u>
TOTAL FUNDS	<u><u>5,025,473</u></u>	<u><u>(4,877,365)</u></u>	<u><u>148,108</u></u>

24. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2022.

CHANGING LIVES TOGETHER

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	3,791	7,229
Other trading activities		
Shop income	1,171,750	1,038,429
Waste credits, recycling, scrap and waste collection	362,622	327,138
Training and work experience	2,360	7,200
	1,536,732	1,372,767
Investment income		
Rents received	13,893	4,235
Interest receivable	3,200	421
	17,093	4,656
Charitable activities		
Transport	445,270	416,723
Grants	437,032	717,993
	882,302	1,134,716
Other income		
Other income	3,161	63,026
Total incoming resources	2,443,079	2,582,394
EXPENDITURE		
Other trading activities		
Opening stock	108,634	91,129
Purchases	569,034	689,860
Wages	605,584	-
Hire of plant and machinery	9,081	7,437
Licensing	1,542	4,129
Bad debts	(12,000)	12,000
Vehicle hire	56,951	60,424
Motor expenses	48,104	72,014
Sub contractors	-	81,427
Other direct costs	104,338	42,609
Property repairs	39,941	-
Impairment losses for fixed asset investments	3	-
Closing stock	(92,751)	(108,634)
	1,438,461	952,395
Charitable activities		
Wages	588,454	1,081,578
Carried forward	588,454	1,081,578

This page does not form part of the statutory financial statements

CHANGING LIVES TOGETHER

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Charitable activities		
Brought forward	588,454	1,081,578
Social security	69,649	57,096
Pensions	16,005	16,995
Other operating leases	65,035	156,088
Direct costs	290,205	47,883
Plant and machinery	8,922	5,455
Fixtures and fittings	229	229
Computer equipment	2,001	8,395
	1,040,500	1,373,719
Support costs		
Finance		
Bank charges	943	-
Bank interest	3,730	2,309
Bank loan interest	8,563	5,989
	13,236	8,298
Governance costs		
Auditors' remuneration - current year	12,950	17,622
Auditors' remuneration - prior year	4,750	-
Other governance costs	9,264	6,170
	26,964	23,792
Total resources expended	2,519,161	2,358,204
Net (expenditure)/income	<u>(76,082)</u>	<u>224,190</u>

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

CHANGING LIVES TOGETHER
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022. 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).

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.

Operational and retail

Affordable furniture, paint and appliances

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. This saved consumers over £500,000 in buying preloved instead of new.

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 2022, we supported over 5,000 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, last year we collected nearly 7000 products, reusing or recycling 49%.

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 has enabled 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 delivers 300 matches between volunteers and clients each year.

Throughout the year our team of Family Support 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.

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The Cheshire Food Hub now rebranded as The Very Green Grocery

Since starting out in 2020, the food hub has gone from strength to strength in its provision and distribution of surplus food across Cheshire West. Utilising two vehicles we are collecting tonnes of surplus food across Cheshire, last year alone we calculate over 13,000 individual shops took place saving customers £250,000 in food costs and reducing carbon emissions by 500 tonnes of food intended for landfill.

In November 2022 we rebranded our community grocery to ensure an attractive shopping environment, protecting the dignity of our customers and we are now serving an average of 100 shoppers per session, 3 times a week. Our shoppers pay £5 a shop and take away around £20-£25 of food, helping them stretch their budgets whilst reducing food waste. With the of living crisis this service has seen 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.

Our site at Lostock has also been opened Monday to Friday with Community Café offering low-cost hot food, the site now functions fully as a Community Centre open for use by partners and community groups. In 2023 we will also acquire another site in Winsford to open a second Very Green Grocery and Community Centre.

Further more CLT is exploring the opportunity to provide surplus food distribution to the whole of Cheshire through a dedicated warehouse facility.

Community transport branded as Yourbus

We operate our Community Transport minibus services (Yourbus), which is contracted by Cheshire West and Chester Council. 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.

At the end of 2022 we relocated the service from offices in Northwich to our Head Office at Winsford, this enabled us to reduce running costs as well as providing more secure storage of vehicles.

With over 2,000 schools trips and over 3,000 adult social care trips, the team transported over 10,000 passengers in 2022.

How many lives did we change in 2022?

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;
- Supporting the distribution of surplus food prevents landfill and feeds people in a cost of living crisis.
- 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 6,000 items - furniture, appliances, paint & electrical waste - from landfill;
- Saving over 45,000 tons of CO2 from our atmosphere, including the cost of production of new equivalent goods instead of preloved ;
- Supporting 7,500 families with furniture and white goods.
- Our collective services saved consumers over £1 million pounds from our homewares and food supply.

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.

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 was £2,443,079 (2021 £2,582,394) and the charity incurred a deficit of £76,082 (2021 a surplus of £224,190).

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 2022 were £485,663.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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.

Recruitment and appointment of new 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.

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 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.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07400060 (England and Wales)

Registered Charity number

1139983

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

Registered office

Unit 12 Road Two
Winsford Industrial Estate
Winsford
Cheshire
CW7 3QL

Trustees

B M Clarke
H E L Dilliwaiy-Nickson
B G Dunn
H C Kinsey (appointed 23.8.22)
P Price
S T Taylor
S M Tilling

Auditors

Murray Smith LLP
Chartered Accountants
Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

Solicitors

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

Bankers

Santander UK plc
Bridle Road
Merseyside
L30 4GB

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.

CHANGING LIVES TOGETHER

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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.

AUDITORS

The auditors, Murray Smith LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 15 June 2023 and signed on its behalf by:

B G Dunn - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHANGING LIVES TOGETHER (REGISTERED NUMBER: 07400060)

Opinion

We have audited the financial statements of Changing Lives Together (the 'charitable company') for the year ended 31 December 2022 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 2022 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHANGING LIVES TOGETHER (REGISTERED NUMBER: 07400060)

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.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The audit procedures designed to identify irregularities included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims
- Enquiry of company staff with responsibilities for compliance matters to identify any instances of non-compliance with laws and regulations
- Reviewing any minutes available of meetings of those charged with governance
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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, intentional misrepresentations or through collusion.

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 (REGISTERED NUMBER: 07400060)**

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.

M G Benson (Senior Statutory Auditor)
for and on behalf of Murray Smith LLP
Chartered Accountants
Statutory Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

Date:

CHANGING LIVES TOGETHER

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	3,791	-	3,791	7,229
Charitable activities	6				
Charitable activities		579,378	302,924	882,302	1,134,716
Other trading activities	4	1,536,732	-	1,536,732	1,372,767
Investment income	5	17,093	-	17,093	4,656
Other income		3,161	-	3,161	63,026
Total		<u>2,140,155</u>	<u>302,924</u>	<u>2,443,079</u>	<u>2,582,394</u>
EXPENDITURE ON					
Raising funds	7	1,438,461	-	1,438,461	952,395
Charitable activities	8				
Charitable activities		<u>792,636</u>	<u>288,064</u>	<u>1,080,700</u>	<u>1,405,809</u>
Total		<u>2,231,097</u>	<u>288,064</u>	<u>2,519,161</u>	<u>2,358,204</u>
NET INCOME/(EXPENDITURE)		(90,942)	14,860	(76,082)	224,190
RECONCILIATION OF FUNDS					
Total funds brought forward		561,745	-	561,745	337,555
TOTAL FUNDS CARRIED FORWARD		<u><u>470,803</u></u>	<u><u>14,860</u></u>	<u><u>485,663</u></u>	<u><u>561,745</u></u>

The notes form part of these financial statements

CHANGING LIVES TOGETHER

BALANCE SHEET 31 DECEMBER 2022

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	15	14,563	-	14,563	22,487
Investments	16	-	-	-	3
		<u>14,563</u>	<u>-</u>	<u>14,563</u>	<u>22,490</u>
CURRENT ASSETS					
Stocks	17	92,751	-	92,751	108,634
Debtors	18	216,030	9,833	225,863	202,093
Cash at bank		<u>499,971</u>	<u>74,214</u>	<u>574,185</u>	<u>608,449</u>
		808,752	84,047	892,799	919,176
CREDITORS					
Amounts falling due within one year	19	(263,318)	(69,187)	(332,505)	(256,476)
		<u>545,434</u>	<u>14,860</u>	<u>560,294</u>	<u>662,700</u>
NET CURRENT ASSETS					
		545,434	14,860	560,294	662,700
TOTAL ASSETS LESS CURRENT LIABILITIES		559,997	14,860	574,857	685,190
CREDITORS					
Amounts falling due after more than one year	20	(89,194)	-	(89,194)	(123,445)
		<u>470,803</u>	<u>14,860</u>	<u>485,663</u>	<u>561,745</u>
NET ASSETS					
		470,803	14,860	485,663	561,745
FUNDS	23				
Unrestricted funds				470,803	561,745
Restricted funds				<u>14,860</u>	<u>-</u>
TOTAL FUNDS				<u>485,663</u>	<u>561,745</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 15 June 2023 and were signed on its behalf by:

B G Dunn - Trustee

CHANGING LIVES TOGETHER

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	10,561	214,317
Interest paid		(12,293)	(8,298)
Net cash (used in)/provided by operating activities		(1,732)	206,019
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,228)	(1,148)
Interest received		3,200	421
Net cash used in investing activities		(28)	(727)
Cash flows from financing activities			
New loans in year		-	79,653
Loan repayments in year		(32,504)	(32,119)
Net cash (used in)/provided by financing activities		(32,504)	47,534
Change in cash and cash equivalents in the reporting period		(34,264)	252,826
Cash and cash equivalents at the beginning of the reporting period		608,449	355,623
Cash and cash equivalents at the end of the reporting period		574,185	608,449

The notes form part of these financial statements

CHANGING LIVES TOGETHER

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(76,082)	224,190
Adjustments for:		
Depreciation charges	11,152	14,079
Losses on investments	3	-
Interest received	(3,200)	(421)
Interest paid	12,293	8,298
Decrease/(increase) in stocks	15,883	(17,505)
(Increase)/decrease in debtors	(23,770)	142,297
Increase/(decrease) in creditors	74,282	(156,621)
Net cash provided by operations	<u>10,561</u>	<u>214,317</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22 £	Cash flow £	At 31.12.22 £
Net cash			
Cash at bank	<u>608,449</u>	<u>(34,264)</u>	<u>574,185</u>
	<u>608,449</u>	<u>(34,264)</u>	<u>574,185</u>
Debt			
Debts falling due within 1 year	(32,504)	(1,747)	(34,251)
Debts falling due after 1 year	<u>(123,445)</u>	<u>34,251</u>	<u>(89,194)</u>
	<u>(155,949)</u>	<u>32,504</u>	<u>(123,445)</u>
Total	<u>452,500</u>	<u>(1,760)</u>	<u>450,740</u>

The notes form part of these financial statements

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 in 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 201) '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.

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, 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, and 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 acquisitions of a business, and is now fully amortised.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

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 makes contribution to employees' pension schemes. Contributions payable 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 2022

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	3,791	7,229

4. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Shop income	1,171,750	1,038,429
Waste credits, recycling, scrap and waste collection	362,622	327,138
Training and work experience	2,360	7,200
	<u>1,536,732</u>	<u>1,372,767</u>

5. INVESTMENT INCOME

	2022	2021
	£	£
Rents received	13,893	4,235
Interest receivable	3,200	421
	<u>17,093</u>	<u>4,656</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022	2021
		£	£
Transport	Charitable activities	445,270	416,723
Grants	Charitable activities	437,032	717,993
		<u>882,302</u>	<u>1,134,716</u>

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

	2022	2021
	£	£
General fund	134,108	242,105
Buddying & befriending	3,808	-
Break free grant	5,096	9,608
BSOG	6,400	-
DEFRA - Food hub	-	32,385
Edsential community	-	147,691
Family support	63,986	94,851
Food hub grant	34,293	-
Groundworks	33,370	33,000
Kitchen grant	2,950	-
Love Lostock Cheshire Food hub	1,000	-
National lottery community fund	79,224	91,943
Sanctuary housing	1,500	-
Slowcooker grant	20,600	37,903
Kickstart training	2,360	-
Ukraine project grant	1,550	-
Wellbeing	31,308	28,507
Winter household fund	15,479	-
	<u>437,032</u>	<u>717,993</u>

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

7. RAISING FUNDS

Other trading activities

	2022	2021
	£	£
Opening stock	108,634	91,129
Purchases	569,034	689,860
Closing stock	(92,751)	(108,634)
Staff costs	605,584	-
Hire of plant and machinery	9,081	7,437
Licensing	1,542	4,129
Bad debts	(12,000)	12,000
Vehicle hire	56,951	60,424
Motor expenses	48,104	72,014
Sub contractors	-	81,427
Other direct costs	104,338	42,609
Property repairs	39,941	-
Impairment losses	3	-
	<u>1,438,461</u>	<u>952,395</u>

In the prior period all staff costs were disclosed under charitable activities.

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 9) £	Totals £
Charitable activities	<u>1,040,500</u>	<u>40,200</u>	<u>1,080,700</u>

9. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Charitable activities	<u>13,236</u>	<u>26,964</u>	<u>40,200</u>

10. NET INCOME/(EXPENDITURE)

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

	2022	2021
	£	£
Auditors' remuneration - current year	8,500	17,622
Auditors' remuneration - accountancy services	4,000	-
Auditors' remuneration - assurance services	450	-
Auditors' remuneration - prior year	4,750	-
Depreciation - owned assets	11,152	14,079
Hire of plant and machinery	9,081	7,437
Other operating leases	<u>65,035</u>	<u>156,088</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

12. STAFF COSTS

	2022 £	2021 £
Wages and salaries	1,194,038	1,081,578
Social security costs	69,649	57,096
Other pension costs	16,005	16,995
	<u>1,279,692</u>	<u>1,155,669</u>

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

	2022	2021
Management team	4	5
Warehouse/reuse	28	24
Administrative	5	9
Retail	4	5
Community hubs	3	3
Community engagement	9	12
Community transport	20	17
	<u>73</u>	<u>75</u>

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

	2022	2021
£60,001 - £70,000	<u>1</u>	<u>-</u>

Total emoluments for key management personnel totalled £241,616 (2021: £197,808).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	7,229	-	7,229
Charitable activities			
Charitable activities	658,828	475,888	1,134,716
Other trading activities	1,372,767	-	1,372,767
Investment income	4,656	-	4,656
Other income	63,026	-	63,026
Total	<u>2,106,506</u>	<u>475,888</u>	<u>2,582,394</u>

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
EXPENDITURE ON			
Raising funds	952,395	-	952,395
Charitable activities			
Charitable activities	929,921	475,888	1,405,809
Total	<u>1,882,316</u>	<u>475,888</u>	<u>2,358,204</u>
NET INCOME	224,190	-	224,190
RECONCILIATION OF FUNDS			
Total funds brought forward	337,555	-	337,555
TOTAL FUNDS CARRIED FORWARD	<u><u>561,745</u></u>	<u><u>-</u></u>	<u><u>561,745</u></u>

14. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2022 and 31 December 2022	<u>6,157</u>
AMORTISATION	
At 1 January 2022 and 31 December 2022	<u>6,157</u>
NET BOOK VALUE	
At 31 December 2022	<u>-</u>
At 31 December 2021	<u><u>-</u></u>

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

15. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2022	60,026	6,791	33,297	100,114
Additions	1,896	-	1,332	3,228
At 31 December 2022	61,922	6,791	34,629	103,342
DEPRECIATION				
At 1 January 2022	39,413	6,521	31,693	77,627
Charge for year	8,922	229	2,001	11,152
At 31 December 2022	48,335	6,750	33,694	88,779
NET BOOK VALUE				
At 31 December 2022	13,587	41	935	14,563
At 31 December 2021	20,613	270	1,604	22,487

16. FIXED ASSET INVESTMENTS

There were no investment assets outside the UK.

The charity owned 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) - Dissolved 21/02/2023
- Changing Lives in Ellesmere Port Limited (11534973) - Dissolved 21/02/2023
- Changing Lives in Warrington Limited (09842887) - Dissolved 21/02/2023

17. STOCKS

	2022 £	2021 £
Stocks	92,751	108,634

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	190,840	167,356
Other debtors	12,464	10,352
Prepayments and accrued income	22,559	24,385
	225,863	202,093

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other loans (see note 21)	34,251	32,504
Trade creditors	103,735	46,635
Social security and other taxes	22,697	26,882
VAT	18,361	6,556
Other creditors	20,022	2,920
Deposits held on account	16,897	22,723
Accruals and deferred income	116,542	118,256
	<u>332,505</u>	<u>256,476</u>

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

	2022	2021
	£	£
Other loans (see note 21)	<u>89,194</u>	<u>123,445</u>

21. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>34,251</u>	<u>32,504</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>36,120</u>	<u>34,251</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>53,074</u>	<u>89,194</u>

22. LEASING AGREEMENTS

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

	2022	2021
	£	£
Within one year	97,211	56,190
Between one and five years	211,603	217,800
In more than five years	-	117,975
	<u>308,814</u>	<u>391,965</u>

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

23. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	561,745	(90,942)	470,803
Restricted funds			
Food Hub Grant	-	14,860	14,860
TOTAL FUNDS	<u>561,745</u>	<u>(76,082)</u>	<u>485,663</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,140,155	(2,231,097)	(90,942)
Restricted funds			
Break Free Grant	5,096	(5,096)	-
Groundworks	33,370	(33,370)	-
Family Support	63,986	(63,986)	-
National Lottery Community Fund	79,224	(79,224)	-
Wellbeing	31,308	(31,308)	-
Slowcooker Grant	20,600	(20,600)	-
BSOG	1,833	(1,833)	-
Food Hub Grant	38,860	(24,000)	14,860
Buddying & Befriending	3,808	(3,808)	-
Winter Household Fund	15,479	(15,479)	-
Sanctuary Housing	1,500	(1,500)	-
Love Lostock Cheshire Food Hub	1,000	(1,000)	-
Kitchen Grant	2,950	(2,950)	-
Kickstart Training	2,360	(2,360)	-
Ukraine Project Grant	1,550	(1,550)	-
	<u>302,924</u>	<u>(288,064)</u>	<u>14,860</u>
TOTAL FUNDS	<u>2,443,079</u>	<u>(2,519,161)</u>	<u>(76,082)</u>

Comparatives for 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
TOTAL FUNDS	<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 2022

23. MOVEMENT IN FUNDS - continued

Comparative 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><u>2,582,394</u></u>	<u><u>(2,358,204)</u></u>	<u><u>224,190</u></u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.21 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	337,555	133,248	470,803
Restricted funds			
Food Hub Grant	-	14,860	14,860
	<u>337,555</u>	<u>148,108</u>	<u>485,663</u>
TOTAL FUNDS	<u><u>337,555</u></u>	<u><u>148,108</u></u>	<u><u>485,663</u></u>

CHANGING LIVES TOGETHER

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

23. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	4,246,661	(4,113,413)	133,248
Restricted funds			
Break Free Grant	14,704	(14,704)	-
Groundworks	66,370	(66,370)	-
Family Support	158,837	(158,837)	-
National Lottery Community Fund	171,167	(171,167)	-
Edsential Community	147,691	(147,691)	-
DEFRA - Food Hub	32,385	(32,385)	-
Wellbeing	59,815	(59,815)	-
Slowcooker Grant	58,503	(58,503)	-
BSOG	1,833	(1,833)	-
Food Hub Grant	38,860	(24,000)	14,860
Buddying & Befriending	3,808	(3,808)	-
Winter Household Fund	15,479	(15,479)	-
Sanctuary Housing	1,500	(1,500)	-
Love Lostock Cheshire Food Hub	1,000	(1,000)	-
Kitchen Grant	2,950	(2,950)	-
Kickstart Training	2,360	(2,360)	-
Ukraine Project Grant	1,550	(1,550)	-
	<u>778,812</u>	<u>(763,952)</u>	<u>14,860</u>
TOTAL FUNDS	<u><u>5,025,473</u></u>	<u><u>(4,877,365)</u></u>	<u><u>148,108</u></u>

24. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2022.

CHANGING LIVES TOGETHER

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	3,791	7,229
Other trading activities		
Shop income	1,171,750	1,038,429
Waste credits, recycling, scrap and waste collection	362,622	327,138
Training and work experience	2,360	7,200
	1,536,732	1,372,767
Investment income		
Rents received	13,893	4,235
Interest receivable	3,200	421
	17,093	4,656
Charitable activities		
Transport	445,270	416,723
Grants	437,032	717,993
	882,302	1,134,716
Other income		
Other income	3,161	63,026
	3,161	63,026
Total incoming resources	2,443,079	2,582,394
EXPENDITURE		
Other trading activities		
Opening stock	108,634	91,129
Purchases	569,034	689,860
Wages	605,584	-
Hire of plant and machinery	9,081	7,437
Licensing	1,542	4,129
Bad debts	(12,000)	12,000
Vehicle hire	56,951	60,424
Motor expenses	48,104	72,014
Sub contractors	-	81,427
Other direct costs	104,338	42,609
Property repairs	39,941	-
Impairment losses for fixed asset investments	3	-
Closing stock	(92,751)	(108,634)
	1,438,461	952,395
Charitable activities		
Wages	588,454	1,081,578
Carried forward	588,454	1,081,578

This page does not form part of the statutory financial statements

CHANGING LIVES TOGETHER

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Charitable activities		
Brought forward	588,454	1,081,578
Social security	69,649	57,096
Pensions	16,005	16,995
Other operating leases	65,035	156,088
Direct costs	290,205	47,883
Plant and machinery	8,922	5,455
Fixtures and fittings	229	229
Computer equipment	2,001	8,395
	1,040,500	1,373,719
Support costs		
Finance		
Bank charges	943	-
Bank interest	3,730	2,309
Bank loan interest	8,563	5,989
	13,236	8,298
Governance costs		
Auditors' remuneration - current year	12,950	17,622
Auditors' remuneration - prior year	4,750	-
Other governance costs	9,264	6,170
	26,964	23,792
Total resources expended	2,519,161	2,358,204
Net (expenditure)/income	<u>(76,082)</u>	<u>224,190</u>

Changing Lives Together

Audit Completion Report

Year ended 31 December 2022

18 April 2023

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This document is prepared solely for Changing Lives Together and should be read in its entirety. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must be obtained before this document, or any part of it, is disclosed to a third party.

1. Executive summary

Principal conclusions

Our audit has been conducted in accordance with International Standards on Auditing (UK) and our approach was based on an income and expenditure and balance sheet audit using detailed substantive testing techniques. Analytical review procedures have been used at the planning and completion stages to help ensure that our testing is focused on the key areas and that the reported figures are consistent with our expectations.

In section 2 of this report, we have set out our conclusions and findings from our audit. This section includes conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum of which the principal ones were:

- Management override of controls.
- Revenue recognition.
- Completeness of creditors, accruals and deferred income.
- Accuracy of trade debtors.
- Going concern.

Unadjusted misstatement

Section 7 sets out the unadjusted misstatements identified during our audit work. In aggregate all unadjusted errors are immaterial.

Status of the audit and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 December 2022.

We are pleased to report that subject to discussion of the matters raised in this report and a further review of post balance sheet events, it is our intention to issue an unqualified opinion, without modification, on the financial statements.

We would like to take this opportunity to express our thanks to the Changing Lives Together staff for their assistance during our audit. We received full cooperation and transparency during the audit.

2. Audit findings

Set out below are the findings from our audit. These findings include:

- our audit conclusions regarding significant risks and key areas of management judgement;
- our comments in respect of the accounting policies and disclosures that have been adopted in the financial statements;
- any further significant matters discussed with management; and
- any significant difficulties we experienced during the audit.

Significant risks and key areas of management judgement

Management override of controls	Description of risk Under ISA 240 (UK) there is a presumption that the risk of management override of controls is present in all entities. Management at various levels within an organisation are in a position to perpetrate fraud because of their ability to manipulate accounting records by overriding controls. How we addressed this risk We undertook the following audit procedures in this area: • Reviewed accounting estimates, judgements and decisions made by management. • Reviewed any large and/or unusual transactions. • Tested a sample of journals throughout the year as well as pre and post year-end adjustments. Audit conclusion No significant issues or instances of management override of internal controls were identified from our audit procedures.
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2. Audit findings (continued)

Revenue recognition	Description of risk
----------------------------	----------------------------

Under ISA 240 (UK) there is a presumed risk that revenue may be misstated due to the improper recognition of revenue (including under and overstatement).

How we addressed this risk

We undertook the following audit procedures in relation to revenue;

- Reviewed recognition policies for appropriateness under FRS 102.
- Reviewed income recognised in the year, compared to expectations and prior years, and obtained explanations for significant or unusual variances.
- Reviewed and tested cut off at the year end.
- Reviewed and tested deferred income to ensure that revenue has been appropriately recognised.

Audit conclusion

There are no significant issues or instances of improper revenue recognition which were identified from our audit procedures.

2. Audit findings (continued)

Completeness and accuracy of creditors, accruals and deferred income**Description of risk**

The level and size of transactions for the company increases the risk of errors in recording liabilities accurately and on a timely basis.

How we address this risk

We undertook the following audit procedures in this area:

- A sample of supplier statements was obtained to agree 'key' supplier balances at the year end.
- We undertook detailed testing of a sample of invoices received and supplier payments made during the period following the year end to ensure liabilities have been recognised in the appropriate period.
- Performed a review of accruals and any provisions at the year end.
- Performed a review of deferred income and any provisions at the year end.

Audit conclusion

There are no significant issues with the completeness of creditors and accruals which were identified from our audit procedures

Accuracy of trade debtors**Description of risk**

The level and size of transactions for the company increases the risk of recoverability and potential misstatement.

How we address this risk

We undertook the following audit procedures in this area:

- We reviewed post year end customer receipts to agree a number of large customer balances at the year end.
- We carried out cut off testing and reviewed post year end credit notes to ensure the year end balance was correctly stated.

Audit conclusion

There are no significant issues with the accuracy of trade debtors which were identified from our audit procedures.

2. Audit findings (continued)

Going concern

Description of risk

Under ISA 570 (UK) there is a presumed risk of management bias when carrying out an assessment of the entity's ability to continue as a going concern.

How we address this risk

We undertook the following audit procedures in this area:

- Obtained post year end management accounts and the forecasts for 2023 and 2024 and considered whether these support the going concern assumption.
- Reviewed post year end bank statements for any unusual transactions or indications that going concern is not appropriate.
- Considered financial, operational, and other indicators which may suggest that the use of going concern is not appropriate.

Audit conclusion

We did not identify any issues in respect of the adoption of the going concern assumption. We are satisfied the going concern disclosures in the financial statements are appropriate.

Accounting policies and disclosures

We have reviewed the accounting policies and disclosures in the financial statements and concluded they comply with applicable accounting standards including United Kingdom Account Standards (United Kingdom Generally Accepted Accounting Practice) (FRS 102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Significant matters discussed with management

There have been no significant matters discussed with management.

Significant difficulties during the audit

We did not encounter any significant difficulties during our audit, and we have had the full cooperation of management.

3. Financial highlights

Statement of Financial Activities

	Year ended 2022 £'000	Year ended 2021 £'000	Year ended 2020 £'000
Income			
Donations and legacies	4	7	6
Transport	445	417	461
Grants	437	718	421
Other trading activities	1,537	1,373	1,212
Investment and other income	20	67	261
Total income	2,443	2,582	2,361
Staff costs	(1,280)	(1,156)	(1,257)
Other trading activities – expenditure	(834)	(952)	(679)
Administrative expenses	(394)	(236)	(263)
Depreciation	(11)	(14)	(17)
Net movement in funds	(76)	224	145
Fund balance brought forward	562	338	193
Fund balances on 31 December 2022	486	562	338

Total income has decreased by approximately 5% from 2021 to 2022, mainly due to a drop in grants received.

Staff costs measured against total income represented 52.3% (2021: 44.8%). FY22 includes £52k of redundancy costs as well as additional costs due to the crossover of some job roles.

Administrative expenses include £40k for roof repairs and fire door replacement costs.

In overview, the deficit of £76k can be seen as due to the one off redundancy costs and additional costs resulting from job crossovers.

3. Financial highlights (continued)

Consolidated Statement of Financial Position

	2022 £'000	2021 £'000
Fixed assets – Tangible	15	22
Current assets		
Stocks	93	109
Debtors	191	167
Other debtors and prepayments	35	35
Cash at bank and in hand	574	608
Total current assets	893	919
Current liabilities		
Trade creditors	(104)	(47)
Other taxation and social security	(41)	(33)
Other loans	(34)	(33)
Other creditors	(37)	(25)
Accruals and deferred income	(117)	(118)
Total current liabilities	(333)	(256)
Net current assets/(liabilities)	560	663
Loans due after one year	(89)	(123)
Net assets	486	562

Trade debtors increased from £167k in 2021 to £191k in 2022, mainly due increased activity in Q4 - turnover was up by £49k compared to Q4 in 2021.

The year end cash balance of £574k is down by £34k on the previous period.

Trade creditors increased from £47k in 2021 to £104k in 2022 as there were some large domestic appliances purchases in the last month of the year totaling £47k.

The liquidity position remains strong with net current assets at £560k.

The net assets have decreased to £486k due to the £76k deficit for the year.

4. Other communication requirements

Potential issue	Comments
Matters in relation to fraud	We have not been made aware of any significant incidents during the year and no issues have been identified during the course of our audit procedures.
Matters in relation to related parties	We are not aware of any related party transactions which have not been disclosed by management.
Matters in relation to laws and regulations	We are not aware of any significant instances of non-compliance with relevant laws and regulations that could have a significant impact on the financial statements.
Written representations	A specific representation has been requested in respect of the basis of preparation of the financial statements.
Confirmation requests from third parties	We have requested and obtained direct confirmation from the banks of the balances on all bank accounts and facilities as at 31 December 2022.
Disclosures	Our review has found no material omissions in the financial statements.

5. Internal controls

The purpose of an audit is for the auditor to express an opinion on the financial statements. Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

The matters being reported are limited to those deficiencies that the auditor has identified during the audit and that the auditor has concluded are of sufficient importance to merit being reported to those charged with governance. (ISA UK 265)

Status of prior year recommendations (included in Bennett Brooks' 2021 audit completion report)

Observation (per BB)	Implication (per BB)	Status
1 Unreconciled bank transactions There are a number of bank receipts and payments that are not reconciled to the nominal ledger cash accounts at the year end. These have since been moved to a reconciliation/suspense accounts post year end and are being cleared by the finance team.	Errors or inappropriate entries may not be identified and cleared on a timely basis. The majority of the unreconciled items related to low value sales receipts, and this may result in assets and income being understated.	All bank accounts are now reconciled monthly. Completed
2 Employee contracts are outdated - this matter was also raised last year	A number of employee contracts are outdated and in addition no pay rise or bonus letters are held on file, making independent verification that employees are receiving the contractually agreed payments difficult.	Contracts were updated in January 2023. Wage structure has been put in place and communicated with all staff. Completed

5. Internal controls (continued)

Observation (per BB)	Implication (per BB)	Status
3 Fixed assets that have been disposed of are still on the fixed asset register There is a small correcting entry proposed on the schedule of adjustments	Fixed assets may no longer be in use or held and therefore fixed assets may be overstated. As part of our audit testing, we noted a few assets that had been physically disposed of but still on the fixed asset register.	Client now maintains a fixed asset list within the accounting software. Outstanding – there have been no disposals during FY22. Client will review the historic fixed asset list during FY23.
4 Reimbursement of expenditure originally paid for by a personal credit card.	We noted instances in the year where food purchases for the food box project were made on the personal credit card of the Finance Manager. A transfer from the charity's bank account to the employee's bank account was made by that same individual to reimburse the funds. We understand that there was email communication with the CEO to confirm these arrangements at the time, however we have not seen any formal authorisation of these amounts (circa £30,000).	CLT have taken out charity debit cards during FY22. Process is being developed to ensure authorisation procedures are sufficient.
5 Segregation of duties in the purchasing cycle should be reviewed and tightened up.	An individual would have the access rights to set up a new supplier change the banking details of an existing supplier, order and pay for goods /products.	This has been reviewed and authorisation limits and procedures have been put in place. Completed

5. Internal controls (continued)

Observation (per BB)	Implication (per BB)	Status
6 Grant income documentation was difficult to obtain during the audit and was provided haphazardly on email or during our visit.	Grant documentation may be missing or lost, which may result in difficulties if there are queries around particular contracts, and also makes the income recognition more difficult.	This remained a challenge for the FY22 audit. However, the Finance team now have a system in place which logs the details of each grant and files the contract. Completed
7 Petty cash balances held in the various locations were not reconciled or counted regularly and a correcting entry was required. It is unclear whether this represented unrecorded accounting transactions, or missing cash. In addition, we noted several occasions where cash was not banked within 7 days, although we understand that this was mainly due to staff shortages/covid this was not in line with the charities policy.	Cash may be going missing at the various locations, and this may not be detected on a timely basis.	Petty cash counts and reconciliations are now performed weekly. Completed

5. Internal controls (continued)

Observation (per BB)	Implication (per BB)	Status
8 There was an unknown difference in the VAT control account and there were significant VAT penalties levied by HMRC which were partly refunded. We noted a number of duplicate transactions in the control account regarding the November 2021 return.	The VAT returns may not be submitted correctly and the financial records may be incorrect.	VAT returns are now reconciled and checked quarterly. Completed

We do not have any additional internal control points this year.

Conclusion

It is clear that significant progress has been made under the new management structure. However, the nature of the charity's activities means that financial controls need to be very strong and we will be happy to advise management on the further steps that can be taken to develop the financial controls.

6. Adjustments

During the audit the following adjustments were agreed with the Charity's management:

	£'000	£'000
Net income/(expenditure) per initial draft accounts		(5)
Deferred income adjustment per client		(8)
Material adjustments:		
Roof repair and fire doors – moved from capital to repairs	(40)	
		(40)
Other adjustments:		
Understatement of depreciation	(2)	
Correction of VAT liability	(10)	
Insurance incorrectly prepaid and accrued	1	
Understatement of rent – prepayment adjustment	(3)	
Trade debtors – bad debt provisions	(6)	
Understatement of other debtors – wage claim	2	
Late accruals – water rates	(5)	
Overstatement of BSOG accrued income	(5)	
Deferred income corrections – Family support, CCG and Food hub grant	5	
		(23)
Net income/(expenditure)		(76)

7. Unadjusted misstatements

There are no significant unadjusted misstatements.

8. Independence and ethics

In accordance with professional requirements and our ongoing risk assessment, we have reviewed the relationships between Murray Smith LLP and Changing Lives Together that are relevant to the independence and the objectivity of the audit partner and the audit staff.

We can confirm that there are no significant facts or matters that impact our independence as auditors, except for our involvement in the preparation of financial statements and safeguards have been implemented in this respect.

We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each staff member, are independent and are able to express an objective opinion on the financial statements.



9. Communication of audit matters with those charged with governance

Communication	Audit Planning Memo	Audit Completion Report
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of planned scope, approach, and timing	✓	
Confirmation of independence and ethical standards	✓	✓
Significant risks and key judgemental areas	✓	✓
Significant matters in relation to going concern	✓	✓
Significant findings from the audit		✓
Significant matters and issues arising during the audit and written representations have been sought		✓
Significant difficulties encountered during the audit		✓
Significant matters arising in connection to related parties		✓
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		✓
Non-compliance with laws and regulations		✓
Unadjusted misstatements		✓
Any expected modifications to the auditor's report		✓

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

The Audit Planning Memorandum outlined our audit strategy and plan to deliver the audit, while this Audit Completion report presents key issues, findings and other matters which arose from the audit, together with an explanation as to how they have been resolved.

We, as auditors, are responsible for forming and expressing an opinion on the financial statements. Our responsibilities are also set out in the engagement letter.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Accounts

**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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for the year ended 31 December 2021**

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Changing Lives Together

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).

Changing Lives Together

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.

Changing Lives Together

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.

Changing Lives Together

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

Changing Lives Together

Report of the Trustees for the year ended 31 December 2021

Trustees

Mrs H E L Dillway-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

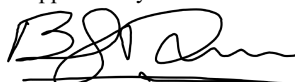
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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

		Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
	Notes				
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					
Charitable activities	8	929,921	475,888	1,405,809	1,537,755
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

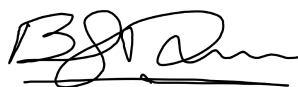
Changing Lives Together

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>214,317</u>	<u>184,930</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>247,208</u>	<u>205,292</u>	<u>452,500</u>

The notes form part of these financial statements

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	1,379,708	26,101	1,405,809

9. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Charitable activities	2,309	23,792	26,101

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	156,088	165,530

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	16,995	20,206
	1,155,669	1,257,406

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	17	-
	75	77

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
	<u>60,026</u>	<u>6,791</u>	<u>33,297</u>	<u>100,114</u>
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
	<u>39,413</u>	<u>6,521</u>	<u>31,693</u>	<u>77,627</u>
At 31 December 2021	39,413	6,521	31,693	77,627
NET BOOK VALUE				
At 31 December 2021	<u>20,613</u>	<u>270</u>	<u>1,604</u>	<u>22,487</u>
At 31 December 2020	<u>24,920</u>	<u>499</u>	<u>9,999</u>	<u>35,418</u>

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	<u>108,634</u>	<u>91,129</u>

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
	<u>202,093</u>	<u>344,390</u>

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
TOTAL FUNDS	<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)	-
	475,888	(475,888)	-
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)	-
	392,469	(392,469)	-
TOTAL FUNDS	<u>2,361,432</u>	<u>(2,216,660)</u>	<u>144,772</u>

**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.

Changing Lives Together

Detailed Statement of Financial Activities for the year ended 31 December 2021

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	7,229	5,557
Other trading activities		
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
	1,372,767	1,211,895
Investment income		
Rents received	4,235	2,527
Interest receivable	421	544
	4,656	3,071
Charitable activities		
Transport	416,723	461,429
Grants	717,993	420,659
	1,134,716	882,088
Other income		
Government grants	63,026	258,821
	63,026	258,821
Total incoming resources	2,582,394	2,361,432
EXPENDITURE		
Other trading activities		
Opening stock	91,129	40,189
Purchases	672,781	553,771
Waste disposal	17,079	13,514
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
Closing stock	(108,634)	(91,129)
	952,395	678,905
Charitable activities		
Wages	1,081,578	1,167,453
Social security	57,096	69,747
Pensions	16,995	20,206
Rent, rates and water	95,664	107,571
Insurance	16,840	13,553
Light and heat	1,381	12,700
Telephone	12,949	14,964
Postage and stationery	15,664	16,795
Advertising	1,028	798
Carried forward	1,299,195	1,423,787

This page does not form part of the statutory financial statements

Changing Lives Together

Detailed Statement of Financial Activities for the year ended 31 December 2021

	2021 £	2020 £
Charitable activities		
Brought forward	1,299,195	1,423,787
Sundries	7,836	11,030
Training	15,846	17,442
Travel costs	339	2,998
Volunteer costs	5,168	8,697
Repairs & renewals	1,434	9,088
Computer & internet	20,084	17,585
Cleaning	6,417	11,491
Subscriptions & memberships	1,012	1,184
Community Engagement Core Cost	-	80
ACL Programme Costs	-	283
Plant and machinery	5,455	6,376
Fixtures and fittings	229	1,698
Computer equipment	8,395	9,052
Loan	8,298	896
	1,379,708	1,521,687
Support costs		
Finance		
Bank charges	2,309	5,955
Governance costs		
Auditors' remuneration	17,622	8,500
Hire of plant and machinery	-	888
VAT charges	5,668	-
Accountancy and legal fees	502	725
	23,792	10,113
Total resources expended	2,358,204	2,216,660
Net income	224,190	144,772

Accounts

**Report of the Trustees and
Financial Statements
for the Year Ended 31 December 2020
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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for the year ended 31 December 2020**

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**Report of the Trustees
for the year ended 31 December 2020**

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 2020. 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 2020**

OBJECTIVES AND ACTIVITIES

Welcome from the trustees

Changing Lives Together is 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.

Changing Lives Together was formed in April 2019, following a merger of Cheshire Community Development Trust (formerly charity 1112525) and Changing Lives in Cheshire. We work extensively within our community to provide relevant services and to support people through a variety of work, training, and volunteering programmes. Our services are delivered without judgement.

Our employment opportunities are used whenever possible to give people a helping hand into the world at work. Therefore, our recruits may come from other employers and charities but also may include those with learning difficulties, ex-offenders, the vulnerable, disabled, the excluded and isolated. We try in all we do to help give back that self-esteem that is often lost when life's difficulties get on top of us.

We entered 2020 expecting a full year of consolidation. Instead, we all experienced the social and economic upheaval caused by the responses to the covid-19 coronavirus pandemic and the January 2021 floods in Northwich.

This disrupted our people, plans and stakeholders. As a charity we have evolved and survived. As people, we have all been touched by the grief and difficulties experienced by so many.

Without our staff and volunteers, we would achieve nothing. For their loyalty and service, and for enduring the difficulties of the pandemic and keeping us going on top of everything else, we sincerely thank them all.

Graeme Sherman
Chair of trustees

Report of the Chief Executive

2020 was challenging at so many levels. Unfortunately, before we could celebrate our first birthday of the merged charity, the rapid spread of the covid-19 virus pandemic took hold and dominated our year.

We had to close our retail operations and furlough staff. We even had to ask our amazing volunteers to stay away.

Challenge brings opportunity. Our operations teams, helping those in crisis, continued to work throughout. Our food hub was established and has gone from strength to strength providing much needed support to the community. Our transport teams have shown versatility and huge commitment and whilst trips were reduced, they have supported our neighbours in helping essential workers commute and in moving supplies.

The pandemic also brought hardship, anxiety and loneliness to so many. Our community engagement team adapted and have provided buddying and befriending support to many suffering from isolation. Our Family support team continued to provide direct help to schools, children, families and key stakeholders throughout the crisis, providing much needed support during extremely challenging times. Localised services, in particular those in Rudheath and Witton, have also continued to provide invaluable support.

It makes me immensely proud to be part of such an amazing organisation. Our people, both staff and volunteers, have shown resilience and courage in a year full of challenge, change and uncertainty. A year like no other and one in which, despite so much disorder, has brought the best out of so many. I thank those that have continued to support us, giving us the opportunity to develop, grow and change so many lives.

We all look forward to future with confidence and one where Changing Lives Together can continue to support those less fortunate than ourselves in whatever way we can.

Mike Jenkins
Chief Executive

Review of the year

Affordable Furniture

Our warehouse is central to the Furniture Help Schemes that provide new and preloved white goods and furniture to those in need. We are pleased to be support several Housing Associations and Cheshire East, Cheshire West & Chester, and Warrington Borough councils. In the year these provided on average 303 families with white goods, including c.100 installed cookers, every month. In 2020 we helped a total of 3,638 families.

**Report of the Trustees
for the year ended 31 December 2020**

Our warehouse team continued throughout the year to help the environment by collecting domestic Bulky Waste to reuse and recycle. 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.

An underappreciated source of waste comes from thrown out paint. People always seem to buy more paint than they need, and manufacturers have no real marketplace for dented tins. We have been member of the Community RePaint network since 2012 and with our partnerships collect c.1,000 litres of paint every month. The high quality collected paint is then collated and re-sold at an affordable price with tins that could cost around £85 pounds on store shelves being sold for as low as £10.

We regularly exceed our target of 60% of intake of waste materials being recycled. We estimate that in 2020 our interventions saved 589 tonnes from landfill and 1,083 tonnes of CO2 was stopped from entering the atmosphere.

Throughout 2020 we sold directly to the public as much as we could - 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. Unfortunately, we had to make the decision, on economic grounds, to permanently close the Changing Lives in Warrington shop. We hope to return to Warrington when a suitable opportunity can be identified.

Cheshire Food Hub

We all became more aware of food poverty in our society in 2020. Sadly, a knock-on effect of covid-19 was to make matters worse for many families.

To help bridge the gaps between demand, local community groups and national sources of surplus food we were able to set up the Cheshire Food Hub. Initially in an empty warehouse in Winsford, now on a longer-term footing in the Old School House in Lostock, Northwich.

We help by:

- Providing warehouse space, vehicles and drivers to distribute tonnes of bulk food supplies, donated and purchased, to local community groups
- Redistributing surplus food between community groups
- Packing thousands of food parcels distributed across Cheshire West schools and community groups to feed families in the school holidays
- Providing impactful volunteering and corporate social responsibility programmes
- Working with Welcome Network, Feeding Britain and the local Food Banks to support better access to low-cost, high-quality food for all.

Although created in crisis, as food poverty persists, the Cheshire Food Hub is now an established part of our activity.

Our team at Cheshire Food Hub have been able to support the long-term plans for food inequality by introducing the "Love Slow Cookers, Hate Food Waste" project. We support families across Cheshire who are struggling to make ends meet, teaching them how to use a slow cooker to make cheap and nutritious meals. Families will be able to access low-cost foods from their local food group to try recipe alternatives, helping to reduce food waste and save money. The campaign aims to help local people minimise their energy bills and improve on their cooking skills. To date we have been able to provide local families with over 1,200 slow cookers and another 1,000 are planned to go out over winter 2021.

We have been fortunate to be supported by many local benefactors, local government, the national charity FareShare UK and the hard work and enthusiasm of many new volunteers. We would like to thank everyone who has helped us on our journey this year.

We are now developing the Old School House to be a community hub so local residents can access our community shop, activities and support agencies such as Citizens Advice, Mind, and New Leaf. We will be opening our first community kitchen and café in 2021.

Community Transport

In partnership with Cheshire West & Chester council we continue to operate the network of Community Transport minibus services, with suitably adjusted routes and procedures for the changing circumstances. These provide subsidised access to the high street, leisure and other services for members of the community who might otherwise miss out.

Dial-a-Ride and Rural Rider provide door-to-door minibus services to residents of the Northwich and Winsford and the adjoining areas, where there is limited or non-existent convenient public transport. For many these arrangements are their lifeline to meet others and gain access to essential services.

**Report of the Trustees
for the year ended 31 December 2020**

For obvious reasons we struggled in the pandemic period to maintain our normal services. However, we were able to adapt, by changing from moving people to delivering food and supplies to those who needed it. This was repeated with an effective local response to the Northwich floods in January 2021 - where our teams moved residents of the flooded care homes to safe locations and our Food Hub met them there with food and essential item parcels.

In June 2021 we relaunched a new and adapted Dial-A-Ride service refocussing on the need to bring people together after lockdown. We have expanded to include drop off points for local attractions and museums and are looking to provide more group outings.

The volunteer car schemes were essentially closed during the pandemic but in September 2021 we are relaunching as Cheshire Community Cars. This will enable us to work across county boundaries and support more people as they come back out from lockdown. This vital service may be an important element in Community Transport of the future across Cheshire, should central government budgets tighten.

Buddying and Befriending

Buddying & Befriending is a crucial service which provides companionship to people who are lonely across Cheshire. We have matched up over 400 people with a volunteer with the scheme continuing to grow. Covid-19 has presented many challenges for home visits. However, after piloting the use of internet connected tablets, we firmly established telephone links. Indeed, telephone befriending proved to be extremely successful, with over 100 more clients referred for support during the first 2 months and with demand continuing to increase in 2021.

As covid-19 restrictions are eased these social interactions will expand in scale such as going on socially distanced walks or meeting for a coffee. It is important that while we are respectful of any feelings of isolation or anxiety that people are going through, we still encourage them to venture out of their home and engage with society.

As well as the buddy or befriender helping the person feel less isolated, they are also trained to assist with social prescribing. Clients will each have their own individual problems such as bereavement, escalating medical conditions, loss of employment or breakdown of a marriage/long term relationship. Should the volunteer become aware of these issues, they point them towards local support services that are better able to deal with the issues. While the volunteers do provide fantastic 1-2-1 support, they also encourage clients to develop self-reliance and encourage clients to take control of their own life and take on new challenges.

Family Support Services

We place family support workers in schools, whose goal is to support young people across primary and secondary educations and their families. Helping them to overcome issues and break down barriers that prevent them from fulfilling their potential. This work is funded by individual schools and Education Improvement Partnerships.

For the children the main focuses are on improving attendance, behaviour and achievement, ensuring that they receive the highest quality education possible to set themselves up for success in life. Removing problems at home allows for children to actively engage in their education more, thanks to improved mental health and reduced stress and commitments. For parents the focus is on early intervention helping them to access a range of services which can prevent problems from growing and taking over their lives. The work also offers bespoke parenting training helping the parents to not only improve their own behaviour but that of their child as well.

The service has a proven track record and we hope shortly to welcome new partnerships.

Re-use and Waste Collection

Our Winsford Warehouse site puts a large focus on recycling and re-using bulky waste such as furniture preventing it from ending up in a landfill site. Bulky waste can be very difficult to throw away and utilising a private service can often be expensive. We offer an affordable service, offering to collect bulky waste for only £20, with the promise we will do our best to prevent it going to landfill.

There are many reasons people throw away large items like furniture. However, whatever the reason our team do their best to find an appropriate use for the bulky waste they collect. If possible, furniture is extensively cleaned and then either used on Local Government help schemes or re-sold at in our shops at an affordable price to ensure it can be obtained by those who need it most. In the event that an item cannot be sold the team will disassemble it and recycle its components instead. Every part possible of an item is made use of, such as mattress springs being used for scrap metal or wood being used to heat the warehouse. The warehouse canteen has even been redecorated with cupboards built from re-used bedframes!

As well as furniture the site also re-purposes electronic goods. While some of these items come from the public a lot are from old stock from department stores or from university accommodation and were otherwise destined for landfill. After being cleaned and safety tested these items are instead available for new users.

Our People

At the start of 2020 we employed 82 colleagues and had many volunteers with us. Sadly, 12 people were made redundant from the economic turmoil we experienced. Turnover and recruitment meant we ended the year with 68 employees.

70 colleagues were on "furlough" at some point through the year. This cannot have been easy for them.

**Report of the Trustees
for the year ended 31 December 2020**

Government restrictions on volunteers and retail activity meant the number of volunteer hours in the warehouse and shops was drastically reduced. However, those placements, which are central to our way of working, are now returning and we anticipate returning to more normal levels through 2021. Indeed, at the end of June 2021 we had 16 active placements under the government's Kickstart initiative.

Thank You

Everything we do depends on our supporters, in local government, local businesses, other charities. The crisis of 2020 brought many of us together for the first time and we look to build on our new and existing relationships.

However, we can achieve nothing without our people. The determination and dedication of all our staff, volunteers and supporters means everything. We at Changing Lives Together could not do what we do without you all and for that we Thank You.

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 are slowly building our reserves to a normal level for a charity of our size and complexity.

2019 saw the merger with Cheshire Community Development Trust on 15 April. 2020 was affected by the various changes in our circumstances, and society in general, from the coronavirus pandemic. Therefore, direct year on year comparisons may not be particularly informative.

Total income in 2020 was £2,361,432 (2019 £2,241,047) and this generated a net income surplus of £144,772 (2019 £143,096).

In the course of 2020, we completed the repayments according to schedule on our secured loan from Key Fund. Then, as a prudent measure to protect cash flow, in July we drew down a government backed Bounce Back Loan for £50,000 at 0% interest for the first 12 months.

We also benefited from various national business support schemes. Grants and donations included a £25,000 grant from the ReUse Network and generous support of £10,000 from Compass Minerals UK.

To support colleagues on furlough we received funds from the Coronavirus Job Retention scheme which have continued, at a lower rate, into 2021.

As a precaution against supply chain disruption from Brexit and covid-19 stocks of affordable furniture and white goods were increased in December. The cumulative effect of these various measures was to increase cash at bank to £355,623 on 31 December 2020.

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. sufficient to provide working capital to cover delays in the receipt of payments and grants and to provide a cushion for the unexpected. We are close to achieving this.

Our reserves at 31 December 2020 were £337,555 (2019 £192,783).

In 2020, for the first time, we took a decision to use reserves to support a service. We covered the cost of the Buddying and Befriending service when Age UK Cheshire "Brightlife" funding ended and we waited the outcome of our application for further funding from the National Lottery Heritage Fund, to who we are most grateful.

**Report of the Trustees
for the year ended 31 December 2020**

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 principle 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 2020**

Trustees

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

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
Bootle
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 28 September 2021 and signed on its behalf by:

Mr G Sherman - 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 2020 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 2020 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.

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; and
- Review of board meeting minutes (where held).

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 collusion.

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

28 September 2021

Changing Lives Together

Statement of Financial Activities for the year ended 31 December 2020

		Unrestricted fund £	Restricted funds £	31.12.20 Total funds £	31.12.19 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	5,557	-	5,557	4,091
Charitable activities	6				
Charitable activities		489,619	392,469	882,088	779,429
Other trading activities	4	1,211,895	-	1,211,895	1,450,495
Investment income	5	3,071	-	3,071	7,032
Other income		258,821	-	258,821	-
Total		<u>1,968,963</u>	<u>392,469</u>	<u>2,361,432</u>	<u>2,241,047</u>
EXPENDITURE ON					
Raising funds	7	678,905	-	678,905	684,410
Charitable activities	8				
Charitable activities		1,145,286	392,469	1,537,755	1,502,154
Total		<u>1,824,191</u>	<u>392,469</u>	<u>2,216,660</u>	<u>2,186,564</u>
Net gains on investments		<u>-</u>	<u>-</u>	<u>-</u>	<u>88,613</u>
NET INCOME		<u>144,772</u>	<u>-</u>	<u>144,772</u>	<u>143,096</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		192,783	-	192,783	49,687
TOTAL FUNDS CARRIED FORWARD		<u><u>337,555</u></u>	<u><u>-</u></u>	<u><u>337,555</u></u>	<u><u>192,783</u></u>

The notes form part of these financial statements

Balance Sheet
31 December 2020

	Notes	Unrestricted fund £	Restricted funds £	31.12.20 Total funds £	31.12.19 Total funds £
FIXED ASSETS					
Tangible assets	15	35,418	-	35,418	50,974
Investments	16	3	-	3	3
		<u>35,421</u>	<u>-</u>	<u>35,421</u>	<u>50,977</u>
CURRENT ASSETS					
Stocks	17	91,129	-	91,129	40,189
Debtors	18	344,390	-	344,390	293,531
Cash at bank		234,190	121,433	355,623	148,776
		<u>669,709</u>	<u>121,433</u>	<u>791,142</u>	<u>482,496</u>
CREDITORS					
Amounts falling due within one year	19	(296,056)	(121,433)	(417,489)	(286,352)
		<u>373,653</u>	<u>-</u>	<u>373,653</u>	<u>196,144</u>
NET CURRENT ASSETS					
		<u>373,653</u>	<u>-</u>	<u>373,653</u>	<u>196,144</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		409,074	-	409,074	247,121
CREDITORS					
Amounts falling due after more than one year	20	(71,519)	-	(71,519)	(54,338)
		<u>337,555</u>	<u>-</u>	<u>337,555</u>	<u>192,783</u>
NET ASSETS/(LIABILITIES)					
		<u>337,555</u>	<u>-</u>	<u>337,555</u>	<u>192,783</u>
FUNDS	24				
Unrestricted funds				337,555	192,783
TOTAL FUNDS				<u>337,555</u>	<u>192,783</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 28 September 2021 and were signed on its behalf by:

Mr G Sherman - Trustee

Changing Lives Together

**Cash Flow Statement
for the year ended 31 December 2020**

	Notes	31.12.20 £	31.12.19 £
Cash flows from operating activities			
Cash generated from operations	1	184,930	74,182
Interest paid		(896)	(2,150)
Net cash provided by operating activities		<u>184,034</u>	<u>72,032</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,570)	(27,224)
Purchase of fixed asset investments		-	(2)
Cash transferred from CCDT		-	77,501
Interest received		544	441
Net cash (used in)/provided by investing activities		<u>(1,026)</u>	<u>50,716</u>
Cash flows from financing activities			
New loans in year		50,000	-
Loan repayments in year		(26,161)	-
Capital repayments in year		-	(35,483)
Net cash provided by/(used in) financing activities		<u>23,839</u>	<u>(35,483)</u>
Change in cash and cash equivalents in the reporting period			
		<u>206,847</u>	<u>87,265</u>
Cash and cash equivalents at the beginning of the reporting period			
		<u>148,776</u>	<u>61,511</u>
Cash and cash equivalents at the end of the reporting period			
		<u><u>355,623</u></u>	<u><u>148,776</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 2020

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

	31.12.20	31.12.19
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	144,772	143,096
Adjustments for:		
Depreciation charges	17,126	18,144
Losses on investments	-	(88,613)
Interest received	(544)	(441)
Interest paid	896	2,150
(Increase)/decrease in stocks	(50,940)	3,534
Increase in debtors	(50,859)	(45,641)
Increase in creditors	124,479	41,953
Net cash provided by operations	<u>184,930</u>	<u>74,182</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20	Cash flow	At 31.12.20
	£	£	£
Net cash			
Cash at bank	148,776	206,847	355,623
	<u>148,776</u>	<u>206,847</u>	<u>355,623</u>
Debt			
Debts falling due within 1 year	(30,238)	(6,658)	(36,896)
Debts falling due after 1 year	(54,338)	(17,181)	(71,519)
	<u>(84,576)</u>	<u>(23,839)</u>	<u>(108,415)</u>
Total	<u>64,200</u>	<u>183,008</u>	<u>247,208</u>

Changing Lives Together

Notes to the Financial Statements for the year ended 31 December 2020

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 2015)' 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.

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.

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.

**Notes to the Financial Statements - continued
for the year ended 31 December 2020**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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 2020

3. DONATIONS AND LEGACIES

	31.12.20	31.12.19
	£	£
Donations	5,557	4,091
	<u>5,557</u>	<u>4,091</u>

4. OTHER TRADING ACTIVITIES

	31.12.20	31.12.19
	£	£
Shop income	926,944	1,150,415
Waste credits, recycling, scrap and waste collection	278,741	299,190
Training and work experience	6,210	890
	<u>1,211,895</u>	<u>1,450,495</u>

5. INVESTMENT INCOME

	31.12.20	31.12.19
	£	£
Rents received	2,527	6,591
Interest receivable	544	441
	<u>3,071</u>	<u>7,032</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.12.20	31.12.19
		£	£
Transport	Charitable activities	461,429	343,432
Grants	Charitable activities	420,659	435,997
		<u>882,088</u>	<u>779,429</u>

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

	31.12.20	31.12.19
	£	£
Grants	420,659	435,997
	<u>420,659</u>	<u>435,997</u>

7. RAISING FUNDS

Other trading activities

	31.12.20	31.12.19
	£	£
Opening stock	40,189	43,723
Purchases	567,285	478,175
Closing stock	(91,129)	(40,189)
Hire of plant and machinery	8,097	8,073
Vehicle hire	57,959	47,789
Licences	2,479	2,070
Bad debts	974	503
Motor expenses	74,571	113,580
Other direct costs	18,480	30,686
	<u>678,905</u>	<u>684,410</u>

Changing Lives Together

Notes to the Financial Statements - continued for the year ended 31 December 2020

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 9) £	Totals £
Charitable activities	1,521,687	16,068	1,537,755

9. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Charitable activities	5,955	10,113	16,068

10. NET INCOME/(EXPENDITURE)

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

	31.12.20 £	31.12.19 £
Auditors' remuneration	8,500	8,600
Depreciation - owned assets	17,126	18,144
Hire of plant and machinery	8,985	8,593
Other operating leases	165,530	169,047

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

12. STAFF COSTS

	31.12.20 £	31.12.19 £
Wages and salaries	1,167,453	1,076,524
Social security costs	69,747	58,674
Other pension costs	20,206	16,061
	1,257,406	1,151,259

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

	31.12.20	31.12.19
Management team	6	5
Warehouse/reuse	24	25
Administrative	11	10
Retail	6	11
Community engagement	11	6
Community transport	19	17
	77	74

No employees received emoluments in excess of £60,000 (2019: £60,000).

Total emoluments for key management personnel totalled £195,103 (2019: £159,809).

Changing Lives Together

Notes to the Financial Statements - continued
for the year ended 31 December 2020

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	4,091	-	4,091
Charitable activities			
Charitable activities	429,276	350,153	779,429
Other trading activities	1,450,495	-	1,450,495
Investment income	7,032	-	7,032
Total	1,890,894	350,153	2,241,047
EXPENDITURE ON			
Raising funds	684,410	-	684,410
Charitable activities			
Charitable activities	1,152,001	350,153	1,502,154
Total	1,836,411	350,153	2,186,564
Net gains on investments	88,613	-	88,613
NET INCOME	143,096	-	143,096
RECONCILIATION OF FUNDS			
Total funds brought forward	49,687	-	49,687
TOTAL FUNDS CARRIED FORWARD	192,783	-	192,783

14. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2020 and 31 December 2020	6,157
AMORTISATION	
At 1 January 2020 and 31 December 2020	6,157
NET BOOK VALUE	
At 31 December 2020	-
At 31 December 2019	-

Changing Lives Together

Notes to the Financial Statements - continued for the year ended 31 December 2020

15. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2020	58,878	6,791	31,727	97,396
Additions	-	-	1,570	1,570
	<u>58,878</u>	<u>6,791</u>	<u>33,297</u>	<u>98,966</u>
At 31 December 2020	58,878	6,791	33,297	98,966
DEPRECIATION				
At 1 January 2020	27,582	4,594	14,246	46,422
Charge for year	6,376	1,698	9,052	17,126
	<u>33,958</u>	<u>6,292</u>	<u>23,298</u>	<u>63,548</u>
At 31 December 2020	33,958	6,292	23,298	63,548
NET BOOK VALUE				
At 31 December 2020	<u>24,920</u>	<u>499</u>	<u>9,999</u>	<u>35,418</u>
At 31 December 2019	<u>31,296</u>	<u>2,197</u>	<u>17,481</u>	<u>50,974</u>

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

	31.12.20 £	31.12.19 £
Stocks	<u>91,129</u>	<u>40,189</u>

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
Trade debtors	267,027	250,639
Other debtors	56,710	23,069
Prepayments	20,653	19,823
	<u>344,390</u>	<u>293,531</u>

Changing Lives Together

Notes to the Financial Statements - continued for the year ended 31 December 2020

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Other loans (see note 21)	36,896	30,238
Trade creditors	60,533	111,465
Social security and other taxes	88,492	19,204
VAT	15,794	5,055
Other creditors	15,605	2,612
Deposits held on account	56,227	14,620
Tudor Grant	-	4,167
Accrued expenses and deferred income	143,860	98,909
Deina Smith bursary	82	82
	<u>417,489</u>	<u>286,352</u>

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

	31.12.20	31.12.19
	£	£
Other loans (see note 21)	<u>71,519</u>	<u>54,338</u>

21. LOANS

An analysis of the maturity of loans is given below:

	31.12.20	31.12.19
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>36,896</u>	<u>30,238</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>36,519</u>	<u>27,399</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>35,000</u>	<u>26,939</u>

22. LEASING AGREEMENTS

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

	31.12.20	31.12.19
	£	£
Within one year	61,606	71,193
Between one and five years	14,274	75,004
	<u>75,880</u>	<u>146,197</u>

23. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.20	31.12.19
	£	£
Other loans	<u>-</u>	<u>4,834</u>

Changing Lives Together

Notes to the Financial Statements - continued for the year ended 31 December 2020

24. 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>

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>

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	49,687	143,096	192,783
TOTAL FUNDS	<u>49,687</u>	<u>143,096</u>	<u>192,783</u>

Changing Lives Together

Notes to the Financial Statements - continued for the year ended 31 December 2020

24. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,890,894	(1,836,411)	88,613	143,096
Restricted funds				
Tudor Grant	27,946	(27,946)	-	-
Break Free Grant	5,461	(5,461)	-	-
Brightlife	47,519	(47,519)	-	-
Groundworks	24,175	(24,175)	-	-
Family support	42,478	(42,478)	-	-
National Lottery Community Fund	192,537	(192,537)	-	-
Edsential community	10,037	(10,037)	-	-
	<u>350,153</u>	<u>(350,153)</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u>2,241,047</u>	<u>(2,186,564)</u>	<u>88,613</u>	<u>143,096</u>

25. RELATED PARTY DISCLOSURES

During the year the charity received donations totalling £10,000 (2019: £Nil) from a company that Gordon Dunn is also a director of.