

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		-	-	-	88,613
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.