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CHANGING LIVES CHARITY

Trustees' Annual Report & Financial

Statements for the year ended

30 September 2021

A Company Limited by Guarantee and a Registered Charity

Company Registration No 9517906

Charity Registration No 1161892



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CHANGING LIVES CHARITY

Trustees' Annual Report & Financial Statements for the year ended 30 September 2021

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CHANGING LIVES CHARITY

Report of the Trustees for the year ended 30 September 2021

OFFICERS AND PROFESSIONAL ADVISERS

Company Number	9517906
Charity Number	1161892
Registered Office	Unit 2a, Kimberley Road Clevedon, North Somerset BS21 6QJ
Trustees (who are also directors for the purposes of Company law)	Ian Burnham FCA Chris Hibbs Terry Mears (Charity Secretary) Jeff Peacock (until 31.03.22) Jennifer Schaefer (from 1.02.22) Daniel Sibthorpe (from 22.09.21) David Tomlinson (Chair) Ray Wilson CBE (until 22.09.21)
Bankers for Changing Lives Charity	CAF Bank Limited, 25 Kings Hill Avenue, Kings Hill. West Malling, Kent ME19 4JQ
Bankers for Subsidiary Companies	Lloyds Bank plc (Changing Lives in Clevedon Limited) and Santander UK plc (Business4Mission Limited)
Independent Examiner	Haines Watts, Chartered Accountants, Bath House, 6-8 Bath Street, Bristol BS1 6HL
Other Professional Advisors	
Strategic Policy Advice & Support	Rev Stephen Fowler, Mooring Upper Godney, Wells BA5 1RX
IT & Web Solutions	Worthers Ltd, Long Barn, Folly Farm, Tickenham, Bristol BS21 6RY
Policy Advisors	Narrow Quay HR Consultancy, Narrow Quay House, Narrow Quay, Bristol BS1 4QX Phasic Ltd., 39, Gracedieu Road, Loughborough, LE11 4QE



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CHANGING LIVES CHARITY

Report of the Trustees for the year ended 30 September 2021

The Trustees are pleased to present their Report together with the Financial Statements of the Charity for the year ended 30 September 2021.

The Financial Statements comply with the requirements of the Charities Act 2011, the Companies Act 2006, the Articles and Memorandum of Association of the Company and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Charitable Object

The Object of the Charity is for the public benefit, “the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other social or economic disadvantage”. Included in the Articles of Association are the powers to make grants, donations, or loans to organisations which further the aims of Changing Lives Charity. The current range of the Charity is throughout the whole of North Somerset.

Vision

The vision is to serve the needs of a wide range of marginalised men, women, and young people from a variety of backgrounds who face barriers to employment and a fulfilling, independent life. We shall do this by:

- providing high quality, workplace training and employment opportunities (by volunteering) to equip them to assume a fulfilling life in the community
- offering access to a range of therapeutic support including a mentor, to facilitate their recovery
- expanding the social enterprise to increase our capacity to meet the growing demand from those in need of help.
- making available suitable, safe, supported accommodation to those joining the work-based recovery programme who are currently homeless or at risk of becoming homeless.

During the year, the Charity gained a greater understanding of the background of most of those exhibiting chaotic and damaging behaviours associated with substance abuse, serial offending, violence, and homelessness. It is now becoming accepted in the UK that chronic, toxic trauma in early years, e.g., abuse (of all types), neglect and loss of a significant person / carer, is the prime causal factor.

These experiences result in lasting physiological and psychological damage leading to permanent health, relational, and social disadvantage. The Charity has reaffirmed its aim to enable those affected to live fulfilling lives and contribute to the wellbeing of the community.

Volunteer Plus is a workplace programme of volunteering, education and training combined with supportive therapeutic input and the offer of a mentor to accompany the client throughout the program and beyond. This employability program is composed of elements that have also been shown to facilitate permanent change, personal development, and improved health outcomes. The aim of the program is to equip the person for independent living, employment, and a fulfilling life.

The purpose of a residential component planned at Andrew House, Clevedon is to provide safe, supported housing for eligible participants of Volunteer Plus. It also provides a greater level of support available only within a close community such as the House can provide.

This provision is relevant for those who wish to join the programme who currently live remotely from Clevedon, have no satisfactory accommodation, or need to escape the damaging social networks to which they currently belong to enable recovery to take firm root.



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During the year, the Trustees have made and implemented several progressive decisions in furtherance of the Charity's Object. The chief aim has been to plan and begin to deliver the Vision set out above. To do this, the Trustees have worked to identify and make progress in developing appropriate therapeutic support for their clients, and to improve the viability of its social enterprise.

Mission

Volunteer Plus (V+)

Piloted in the Summer of 2019 the Volunteer Plus programme saw the introduction of this workplace, education, training, and employment (volunteering) programme, based in the Charity's hub in Kimberley Road, Clevedon.

Much thought and research into the needs of people in recovery has been undertaken, in parallel with the development of the V+ programme, and by November 2019 the Trustees had decided that an integrated approach to effectively support those in recovery had to be adopted. Further work undertaken during 2020 clarified this and 'trauma survivor' became the defining client group for Changing Lives. Having reached this stage, the Trustees appointed a part-time Director of Programmes for the V+ programme in March 2020.

The Covid-19 pandemic with the resulting irregular periods of lockdown caused considerable disruption to the development of the V+ programme and set-back the recovery of several participants. It also delayed the implementation of the therapeutic elements including the recruitment and training of mentors.

Andrew House

Andrew House forms an important part of the developing ministry programme, and will integrate with V+, offering the benefits of a therapeutic community for those who require safe place to live and a greater level of support as they recover their ability to manage a tenancy of their own.

In the autumn of 2019 by mutual consent, it was decided that the partnership with Alabaré Christian Care & Support be brought to an end. Under the partnership, Alabaré was enabled to operate a service for men in recovery from addiction in the house with the support of Changing Lives. The impact of the Covid 19 pandemic delayed the Alabaré's search for alternative accommodation. Andrew House was returned to the Charity at the end of March 2021.

On behalf of Changing Lives and the community of Clevedon, the Trustees wish to express their deep and lasting gratitude for the massive contribution that the staff, volunteers, and trustees of Alabaré Christian Care & Support have made to the town of Clevedon and to the lives of many people who have enjoyed the safety and care received in Andrew House over the last 18 years.

Community Hub

The fresh vision and inspiration arising from work by Trustees, aided by professional support, resulted in adopting, as a key element of its vision, the concept of a 'Community Hub' defined as follows:

"An inspirational destination space with retail space, community café, workshop / learning space and a productive walled garden. Through the development of the Community Hub, Changing Lives Charity would become a unique project leading the way in transformative healing programmes."

The property occupied by the Charity in Kimberley Road, Clevedon is currently under consideration as the means of accommodating and hosting the Community Hub. However, its limitations have been recognized, and alternatives will be considered as the concept is developed and the requirements for the Hub are better defined.



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Business & Investment Plan

Following a period of strategic review, the Trustees saw the need to draw together the aspirations of the charity (vision, mission, and values) and the financial requirement needed to fulfil these aims.

Work on the preparation of a Business & Investment Plan started in Q4: 2020-21 and was finalised in Q1: 2021-22. The Plan informs the detailed proposals for Andrew House, fundraising and staffing requirements, and the delivery of the therapeutic and other components of support for the Volunteer Plus programme hosted by the social enterprise of the Charity.

Social Enterprise

The purpose of the Social Enterprise is to perform the hosting function for the work-based recovery programme, Volunteer Plus. The managers, members of staff and volunteers drawn from the wider community all play their part in supporting the V+ participants with the aim of providing realistic workplace experience to help them become 'work-ready'.

The core of the Charity's primary purpose trading is focused on the sale of donated furniture and household goods. The Charity's beneficiaries are engaged in undertaking many of the activities in the social enterprise guided and encouraged by employees of the Charity in key roles.

Extensive measures to improve the performance of the social enterprise continued and significant results have been achieved despite the challenges of the C-19 pandemic.

Fiscal diligence

All expenditure during the period 2020-2021 was for the public benefit in accordance with the Object of the Charity.

Resources

The Churches and the wider community in Clevedon and the surrounding area continue to be a significant contributor to the Charity, in terms of both financial and practical support. The Charity has met all its financial responsibilities and remains financially viable.

Opportunities for attracting financial support through the use of Web-based tools and social media have been exploited, and Total Giving provides an easy means of donating to the charity. In August 2021 the final payment was received of a three-year grant from a large charitable foundation towards the Charity's core costs.

Structure, Governance & Administration

The Charity is governed by its Memorandum and Articles of Association, signed by all formation Trustees on 16 March 2015. The Charity is a Company limited by guarantee without shares incorporated on 30 March 2015.

The Trustees are determined to ensure good practice is followed and are aware of their obligation to abide by charity and other relevant law including the reporting of adverse incidents occurring in the life of the Charity to the relevant authorities, as necessary.

The developments of the ministry of the Charity resulted in the need to review and revise the Safeguarding Policy, accordingly a professionally written policy was commissioned. A proposed policy has been received and was under consideration by the Trustees at the year end. This work has been carried over into the 2021-22 reporting period.

Public Benefit

The Trustees confirm that they have fulfilled their duty to have due regard to compliance with the guidance on public benefit rules.



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Training for Trustees

Local training has been undertaken by reference to the obligations of trustees and the need for planned retirement of trustees. Further opportunities through the availability of appropriate study days and conferences are monitored and used. Vigilance over potential benefit and value for money is maintained.

Volunteers

Volunteers are essential to the wellbeing and sustainability of the Charity. The Trustee's desire is to engage with the widest variety of people of goodwill in our community and to help them serve each other by this means whilst meeting their own needs for fulfilment, companionship, and a sense of 'giving-back'.

The Charity has a significant number of volunteers although the C-19 pandemic has made it more difficult to sustain the established relationships. Work continues to rebuild and form new partnerships with the many, well-meaning, and open-hearted people in our community.

The details of the Charity's 45 volunteers who support the work are recorded in the Volunteers' Register. Opportunities for volunteers are many and varied including for those within the Volunteer Plus scheme, described above. At the year-end there were 7 clients in the Volunteer Plus programme.

Financial Review

The moving up of the trading activity from the subsidiary company into the Charity was completed on 30 September 2020. This followed the decision to close 2 outlets which were draining financial reserves, despite the contribution they were making in providing employment and volunteering opportunities.

The occupancy of Andrew House by Alabaré Christian Care & Support - who had been granted a lease on the property to house their drug and alcohol rehabilitation work - came to a planned end in March of 2021. This has reduced the rental income to the charity, but it has allowed significant internal refurbishment to take place ahead of plans to reopen the house as an integral part of the Volunteer plus (V+) programme referred to above.

The forecasts that were prepared at the time of the restructure in 2021 indicated a modest surplus would be achieved in the year recently ended and it has been encouraging that the difficult decisions that were taken have led to sustained increases the results of our activities and the consequent survival of the Charity. The Trustees are pleased to be able to commend the staff for their willing involvement in this success.

The charity has been in the process of a transition from an organisation mainly led and managed by the trustees, to one where paid executives have taken over much of the day-to-day work of the ministry. A Chief Executive has also been appointed in recent weeks, further strengthening the executive team.

Loans, on generous interest-free terms, were made by several trustees or their associated organisations. These enabled the charity to buy Andrew House with the assistance of a mortgage from the previous owners and to support the trading activity during the period prior to the restructure.

Another impact of that transition is that new trustees are being recruited allowing founding trustees to step down. One of the trustees made a substantial gift to the charity to replace the loan he and his wife made some years ago, and this has further and significantly improved the year's financial results.

Other loans from trustees are being rescheduled allowing the Charity to complete the implementation of its services and organisational developments. The loan from the previous owners of Andrew House is expected to be replaced by a commercial mortgage in advance of the scheduled repayment due in September 2023.

The net result in the year to 30 September 2021 was a surplus of £161.7k, after accounting for the gift referred to above and providing for corporation tax on the trading income. The underlying surplus was £27.0k. A deficit of £167.2k was recorded in the 18 months period ended 30 September 2020 which



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included exceptional costs relating to the write-off the investment in the subsidiary of £208.2k. This means that the small underlying surplus has been maintained despite the challenges that have been encountered.

Significant plans for 2022 include the further development of the V+ programme; the reopening of Andrew House; a feasibility study to consider the development of the Community Hub and building on the continued improvements in the social enterprise.

Management of Risk

The trustees meet regularly and are sensitive to the risks which attend all charities (such as the risk of money laundering, and risks to its reputation), and to any special potential risks arising from the Charity's activities. During the year the Trustees were made aware of the importance of managing a Risk Register, and further work will be undertaken on its formulation in 2021-22.

Bulletins are regularly received from various sources which alert them to new risks or to new legislation which could require them to perform in ways of which otherwise they would be ignorant. Reference is made to the Charity Commission's Web pages for advice as required.

Until 31 March 2021, operational risks were limited due to the partnership working with Alabaré Christian Care & Support, who took day-to-day responsibility for running Andrew House. Since then, the Charity has been responsible for all risks associated with activity involving clients, and as reported earlier in the report a new Safeguarding policy has been commissioned. The appointment of a full-time manager for the V+ programme has assisted in exercising vigilance over the welfare of clients.

The main risks that fall to Changing Lives Charity are risks to the client group, financial risks, e.g. the social enterprise and future operation of Andrew House, the income and expenditure of the charity, and risks relating to property ownership. The short to medium-term risks around the repayment / refinancing of the debt that the Charity has taken on have been addressed, and form part of the Business and Investment Plan referred to earlier in this report.

Reserves Policy

The Reserves Policy, agreed on 21st November 2016, was reviewed during 2019. Whilst the refurbishment of the Charity's freehold property, Andrew House, Victoria Road, Clevedon is largely complete, the level of monthly running costs for the Charity has increased substantially from hiving-up the trading business. This combined with the relatively short-term nature of a portion of the Charity's debt, the Trustees believe that the policy of not setting an upper limit of cash reserves set in 2016 should remain for the time being.

The Trustees consider that the Charity will continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved for the following reasons:

- the Charity holds free reserves as detailed in the financial statements.
- financial forecasts for the next 3 years anticipate a modest surplus thereby increasing the level of free reserves. The year to September 2022 is expected to record a deficit pending the full implementation of the V+ programme and reopening of Andrew House.
- the Trustees will extend the Charity's programme to its beneficiaries only following careful consideration of the financial impact on the Charity.
- the Trustees therefore consider it appropriate to adopt the going concern basis of preparation of the accounts, as detailed in note 1 to the financial statements.

Future Plans

During Q3 / Q4, 2020, the transformation of the social enterprise and its consolidation into the Charity took place. However, throughout this period and into early Q2, 2021, the impact of Covid-19 was still being felt with 2 lockdowns and the furlough of several staff for extended periods. Due to foresight and careful planning, the business was able to sustain itself at c 50% its usual monthly



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sales during this period of disrupted trading.

Further restructuring in March / April 2021 created the opportunity to appoint an experienced, full-time manager for Volunteer Plus who was appointed in May 2021. The Charity therefore reached a position with 2 part-time and 1 full-time senior managers acting as its executive able to oversee day-to-day operations without depending upon the Trustees for input. This level of sustainability is a major achievement and was a strategic objective set by the Trustees in April 2019.

Implementing the Charity's mission in the form of a) the full suite of therapeutic components for Volunteer Plus, b) the Community Hub in which to deliver the V+ programme and c) the residential component of V+ in Andrew House remains the future objective for the Charity. Excellent progress has already been made in formulating the details of the V+ programme with the support of local partners and all elements of the day programme are now ready to commence implementation.

The next stage in the development of the Community Hub is to find funding to undertake a Feasibility Study. It is hoped that this can be commenced during 2022.

The creation of the therapeutic community, to be based in Andrew House, has continued and following the appointment of the Community Leader in March 2022 has now reached the point at which it is preparing to receive its first residents.

The Trustees expectation is for the 'integrated offer' of Volunteer Plus to become available during the accounting period 2021-22, and, subject to funding, the concept for the Community Hub will be given greater substance.

Expression of thanks

The Trustees wish to express their sincere gratitude for the hard work and extraordinary level of commitment of all the employees, consultants and volunteers of the Charity.

The Trustees extend this expression of thanks to its partners and those special people who freely give their time and considerable expertise supporting the work of the Trustee Board as advisers.

Finally, the Trustees wish to thank the countless people of goodwill in North Somerset and beyond, who shop, donate and support the work of Changing Lives Charity in so many ways. Without the tireless efforts of everyone involved the Charity would not survive, let alone thrive.

As a Christian Charity, the Trustees also publicly acknowledge the providence of our Heavenly Father who, often through the Charity's stakeholders, provides for our every need.

Approved by the Board of Trustees on:

and signed on their behalf by:

D TOMLINSON

Date 04 July 2022



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CHANGING LIVES CHARITY

Independent Examiner's Report to the Trustees of Changing Lives Charity

I report to the charity trustees on my examination of the accounts of the Charitable Company for the year ended 30 September 2021.

Responsibilities and basis of report

As the charity's trustees of the Charitable Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charitable Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

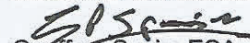
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charitable Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns, other than the matter set out below, and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Matter of concern identified

The Trustees' view on the impact of Covid-19 is disclosed in the Trustees' Report and in the accounting policies note. However, not all future events or conditions can be predicted. The Covid-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charity.


Geoffrey Speirs FCA

Institute of Chartered Accountants in England and Wales
Haines Watts
Chartered Accountants
Bath House
6-8 Bath Street Bristol
BS1 6HL

5 July 2022

Date

CHANGING LIVES CHARITY

STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure Account)

YEAR ENDED 30 SEPTEMBER 2021

		Year Ended 30.9.21 Unrestricted fund £	18 Month Period to 30.9.20 Total funds £
	Note		
Income from			
Trading income	2	317,491	-
Donations		154,986	20,406
Other income (Gift Aid)		2,118	1,602
Rental income		19,521	52,546
Income from investments		21	205
Grant income		79,615	25,000
		573,752	99,759
Expenditure on			
Trading cost of sales	3	44,050	5,000
Other trading costs	4	262,220	-
Loan interest on property		11,270	19,065
Charity administration costs	5	19,421	11,566
Fundraising activities		-	20,827
Charity property expenses	6	72,249	2,304
Other expenses - hiring up of subsidiary	10	-	208,160
		409,210	266,922
Net income (expenditure) before tax		164,542	(167,163)
Tax payable	18	2,887	-
Net income (expenditure)		161,655	(167,163)
Total funds brought forward		14,285	181,448
Total funds carried forward		175,940	14,285

CHANGING LIVES CHARITY (Registered number: 9517906)

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Note	2021 Unrestricted fund £	2020 Total funds £
FIXED ASSETS			
Tangible Fixed Assets	11	548,262	529,273
Investment in Changing Lives in Clevedon Limited		-	2
		548,262	529,275
CURRENT ASSETS			
Debtors	12	22,622	8,542
Cash at Bank		237,678	213,411
		260,300	221,953
CREDITORS			
Amounts falling due within one year	13	109,122	130,943
NET CURRENT ASSETS		699,440	620,285
CREDITORS			
Amounts falling due after more than one year	14, 15	523,500	606,000
TOTAL NET ASSETS		175,940	14,285
FUNDS			
Unrestricted Charitable Funds brought forward 1st October 2020		14,285	181,448
Surplus/(Deficit) for the year		161,655	(167,163)
Unrestricted Charitable Funds at 30th September 2021		175,940	14,285

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 30 September 2021.

The members have not required the company to obtain an audit of its financial statements for the period ended 30 September 2020 in accordance with Section 476 of the Companies Act 2006.

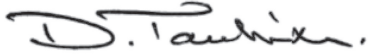
The trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D. Tomlinson', with a stylized flourish at the end.

D TOMLINSON

[date] 04 July 2022

CHANGING LIVES CHARITY

STATEMENT OF CASH FLOWS AS AT 30 SEPTEMBER 2021

	<i>Note</i>	2021 £	2020 £
Cash flow from operating activities	16	184,729	(104,986)
interest paid		11,270	19,065
Net Cash flow from operating activities		195,999	(85,921)
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(22,962)	(8,339)
Net cash flow from investing activities		(22,962)	(8,339)
Cash flow from financing activities			
Repayment of loans		(137,500)	-
Increase in loans		-	134,000
Decrease in long term debtors		-	111,050
interest paid		(11,270)	(19,065)
Net cash flow from financing activities		(148,770)	225,985
Net increase/decrease in cash and cash equivalents		24,267	131,725
Cash and cash equivalents brought forward		213,411	81,686
Cash and cash equivalents carried forward		237,678	213,411
Cash and cash equivalents consist of;			
Cash at bank and in hand		237,678	213,411
short term deposits			

CHANGING LIVES CHARITY

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPTEMBER 2021

1 ACCOUNTING POLICIES

Basis of Preparation

Changing Lives Charity is a company limited by guarantee without share capital use, registered in England and Wales. The financial statements of the charity, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

These financial statements are those of the parent company only and not that of the group, as the charitable parent company has taken advantage of the available exemptions not to prepare consolidated accounts.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. However, the Covid-19 pandemic is likely to have a profound impact on the global economy, and may in turn affect the charity. The trustees have considered the impact of this issue on the charitable company's current and future financial position. The charity holds unrestricted, general reserves of £178,827. The trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

Incoming Resources

Income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, and it is probable that the income will be received and the amount can be measured reliably. Donations and gifts are accounted for when received. Income Tax reclaimed in relation to amounts received under gift aid is included in the same period as the income to which it relates.

Resources Expended

All resources expended are accounted for on an accruals basis.

Administration costs are apportioned to trading and charitable activities in line with the proportional split of income.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	-	Not depreciated
Fixtures & fittings	-	3 years straight line
Motor vehicles	-	5 years straight line

All fixed assets are stated at purchase cost plus incidental expenses of acquisition.

No provision for depreciation has been made for freehold property as it is the view of the Trustees that the estimated residual value of each property is not materially different from the carrying value.

1 ACCOUNTING POLICIES - continued

Fund accounting

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

Taxation

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

Current tax is recognised in the SOFA on trading income at the amount payable using tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Debtors

Debtors are measured on initial recognition at settlement amount after any amounts advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Creditors

The charity has creditors which are measured at settlement amounts.

Financial instrument

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Donated goods and services

The value of services provided by volunteers is not incorporated into the financial statements.

Where goods or service are provided to the charity as a donation that would normally be purchased from suppliers, the contributions are included in the financial statements as an estimate based on the value of the contribution.

Concessionary loans

Concessionary loans include those payable to third parties which are interest free or below market interest rates and are made to advance charitable purposes. The charity has applied S34 of FRS102 with regards to the valuation of loans to public benefit entities so that discounted present value and an associated interest charge are not recognised. All loans are measured at cost.

2	TRADING INCOME	2021	2020
		£	£
	Sales	144,232	-
	Bulk waste	77,144	-
	House clearance	40,390	-
	Auction sales	5,479	-
	Delivery	4,659	-
	Welfare Provision Scheme	42,159	-
	other	3,428	-
		317,491	-
3	TRADING COST OF SALES		
	Cost of good sold	29,426	-
	Direct expenses	13,995	-
	Welfare Provision Scheme installation	629	-
	Stock write down		5,000
		44,050	5,000
4	OTHER TRADING COSTS		
	Advertising & Marketing	4,565	-
	Bank Fees	990	-
	Consulting/Professional Fees	14,201	-
	Depreciation Expense	3,973	-
	Employers NI	2,368	-
	Food & Drink	789	-
	General Expenses	13,324	-
	IT Software and Consumables	3,914	-
	Motor Vehicle Expenses	9,411	-
	Operating Lease Payments	11,216	-
	Pensions Costs	1,553	-
	Printing, Stationery and postage	378	-
	Salaries	159,139	-
	Staff Training	5,009	-
	Subscriptions	574	-
	Telephone & Internet	2,886	-
	Travel - National	3,883	-
		238,173	-
	Apportionment of charity administration costs	24,047	-
		262,220	-

5 CHARITY ADMINISTRATION COSTS

Audit & Accountancy fees	6,718	2,067
Employers NI	263	562
General Expenses	1,480	-
Insurance	6,909	-
IT Software and Consumables	3,914	29
Pensions Costs	173	148
Rent	2,090	-
Repairs & Maintenance	737	-
Salaries	17,682	6,751
Subscriptions, postage and stationery	616	2,009
Telephone & Internet	2,886	
	43,468	11,566
less; apportionment to trading costs	(24,047)	
	19,421	11,566

6 CHARITY PROPERTY EXPENSES

Insurance	6,909	2,304
Light, Power, Heating	9,657	-
Rates	1,971	-
Rent	39,713	-
Repairs & Maintenance	13,999	-
	72,249	2,304

7 STAFF COSTS

Wages and salaries	176,821	6,751
Social security costs	2,631	562
Pension costs	1,726	148
	181,178	7,461

The average number of employees during the period was 12 (2020 -less than 1).

8 TRUSTEE REMUNERATION AND BENEFITS

No Director/Trustee has received any remuneration for services as a Director/Trustee in either period. There were no trustees' expenses paid for the year ended 30 September 2021 nor for the period ended 30 September 2020.

9 INDEPENDENT EXAMINER'S REMUNERATION

The independent examiner's remuneration consists of the following:

	2021	2020
	£	£
For independent examination	984	960
For other services	-	1,290
	984	2,250

10 OTHER EXPENSES

	2021	2020
	£	£
Hiving up of subsidiary	-	208,160
	<u>-</u>	<u>208,160</u>

At the prior year end, the trading subsidiary, Changing Lives in Clevedon Limited, was hived up into the charitable company. Net liabilities of £208,160 were subsumed into the charity.

11 TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Fixtures & Fittings	Motor Vehicles	Total
COST				
As at 30 September 2020	520,934	1,439	6,900	529,273
Additions	-	2,745	20,217	22,962
As at 30 September 2021	<u>520,934</u>	<u>4,184</u>	<u>27,117</u>	<u>552,235</u>
DEPRECIATION				
As at 30 September 2020	-	-	-	-
Charge	-	701	3,272	3,973
As at 30 September 2021	<u>-</u>	<u>701</u>	<u>3,272</u>	<u>3,973</u>
NET BOOK VALUE				
As at 30 September 2021	<u>520,934</u>	<u>3,483</u>	<u>23,845</u>	<u>548,262</u>
As at 30 September 2020	<u>520,934</u>	<u>1,439</u>	<u>6,900</u>	<u>529,273</u>

12 DEBTORS

	2021	2020
	£	£
Trade debtors	6,483	6,739
Other debtors and prepayments	16,139	1,803
	<u>22,622</u>	<u>8,542</u>

13 CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Loans from Directors/Trustees	50,000	105,000
Trade creditors	15,784	6,833
Tax	2,887	-
Social security and other taxes	4,465	4,402
Other creditors and accruals	30,385	8,757
Van loans	5,601	5,951
	<u>109,122</u>	<u>130,943</u>

Included in other creditors is £860 (2020: £588) in relation to pension contributions owing.

14 CREDITORS: Amounts falling due after more than one year

	2021	2020
	£	£
Loans from Directors/Trustees		
Over 5 years	65,500	53,500
Over 1 year, under 5 years	5,000	149,500
Company loan		
Over 1 year, under 5 years	60,000	81,000
Over 5 years	71,000	-
Mortgage loan on property repayable under 5 yrs	322,000	322,000
	523,500	606,000

15 RELATED PARTY TRANSACTIONS

The charity has received loans from trustees as follows;

		2021	2020
		£	£
Arden Resources*	Repayable in less than 1 year	-	100,000
Keystone Projects & Management Limited**	Repayable in less than 1 year	50,000	-
Terry Mears	Repayable in less than 1 year	-	5,000
Terry Mears	Repayable in over 1 year	5,000	-
Arden Resources*	Repayable in over 1 year	-	10,000
Keystone Projects & Management Limited**	Repayable in over 1 year	60,000	
Jeff Peacock	Repayable in over 1 year	-	50,000
Ray Wilson	Repayable in over 1 year	-	90,000
Arden Resources*	Repayable in over 5 years	-	71,000
Keystone Projects & Management Limited**	Repayable in over 5 years	71,000	-
Jeff Peacock	Repayable in over 5 years	65,500	15,500
Ray Wilson	Repayable in over 5 years	-	47,500
		251,500	389,000

* From Arden Resources Limited (of which David Tomlinson, a Trustee of Changing Lives Charity, is a director and 30% shareholder)

* From Keystone Projects & Management Limited (of which David Tomlinson, a Trustee of Changing Lives Charity, is a director and shareholder)

The above concessionary loans are not secured and are interest free.

Within 1 year	-	105,000
Between 1 and 5 years	5,000	150,000
Over 5 years	65,500	134,000
	70,500	389,000

16 ACTIVITIES

	2021	2020
	£	£
Net income / (expenditure) for year / period	161,655	(167,163)
Depreciation and impairment of tangible fixed assets	3,973	-
Write off investment	2	40,000
(Increase) / decrease in debtors	(14,080)	1,458
Increase / (decrease) in creditors	33,179	20,719
Net cash flow from operating activities	184,729	(104,986)

17 COMPANY LIMITED BY GUARANTEE

The charity is a private company, incorporated in England and Wales, limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute £1 towards the costs of dissolution and liabilities incurred by the charity in the event of the company being wound up.

18 TAXATION

	2021	2020
	£	£
Current tax:		
UK corporation tax	2,887	-
Tax on trading profit	2,887	-