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CHANGING LIVES CHARITY

Trustees' Annual Report & Financial

Statements for the year ended

30 September 2023

A Company Limited by Guarantee and a Registered Charity

Company Registration No 9517906

Charity Registration No 1161892



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CONTENTS

Page

Officers and Professional Advisers

3

Annual Report of the Trustees

4 - 10

Independent Examiner's Report

11

Statement of Financial Activities

12

Balance Sheet

13 - 14

Statement of cash flows

15

Notes to the Financial Statements

16 - 24



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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 (until 30 June 2023)
Terry Mears - Secretary) resigned
as director 31 October 2022)
Jennifer Schaefer
Daniel Sibthorpe (Chair)
David Tomlinson (until 31 March
2023)

Bankers for Changing Lives Charity

CAF Bank Limited, 25 Kings Hill Avenue, Kings
Hill, West Malling, Kent, ME19 4JQ

Lloyds Bank plc. Clevedon Branch

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

Cornerstone Resources Ltd, Trinity House,
Newby Road, Stockport, SK7 5DA



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CHANGING LIVES CHARITY

Report of the Trustees for the year ended 30 September 2023

The Trustees are pleased to present their report together with the financial statements of the Charity for the year ended 30 September 2023.

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 "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 adults 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.

It is understood that many addictive behaviours are a result of chronic trauma in early developmental years. Trauma may take many forms; abuse (of all types), neglect, or loss of a significant person or carer.

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.

These aims are expressed in the **Business and Investment Plan**, published on 15 November 2021. The plan describes the methods by which the aims will be met and sets out the resources required and the means by which those resources will be garnered. It introduces and describes the programme **Volunteer Plus**, which is the service provision delivering the care for the Charity's supported volunteers. This service is headed by a manager skilled and experienced in the conditions which the volunteers generally display, and a part-time manager appointed to drive the development of this enterprising initiative. Men and women enter the scheme following assessment to ascertain their ability to benefit from the therapeutic service on offer. After significant refurbishment during 2022, residential places at Andrew House came on stream in December 2022. These places are restricted to men and limited to 11 at any one time. Non-resident clients, men and women, enjoy access to all the therapy support services and the limit on the potential for growth in their numbers is the availability of trained mentors.



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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 programme and beyond. This employability programme is composed of elements that have also been shown to facilitate permanent change, personal development, and improved health outcomes. The aim of the programme is to equip the person for independent living, employment, and a fulfilling life.

The purpose of a residential component 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.

We have been pleased to see some of the first of our residents move on – either back to their families or into independent living this year and are operating at near 100% capacity.

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.

This is a unique programme and offers a holistic approach to trauma related addictions. The programme will be maintained and developed to ensure greater reach into the community.

Andrew House

Andrew House forms an important part of the developing ministry programme, and integrates 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.

During the year the house gradually filled, and we can report a number of good outcomes and relatively few relapses. We continue to receive encouraging testimony from residents on the quality of the care and counselling they receive.

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, had been under consideration as the means of accommodating and hosting the Community Hub. However, its limitations have been recognized, and alternatives have been considered during the year, with no success in finding a suitable alternative in Clevedon.

Business & Investment Plan (BIP)

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.



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The BIP which was published in 2021 covered a 3 year period to 2024 and is currently being updated. It will be published in the summer of 2024 and will cover the next 3 years. Plan introduced the detailed proposals for the Volunteer Plus programme, incorporating Andrew House, fundraising, and staffing requirements, and the delivery of the therapeutic and other components of support for the clients, hosted by the social enterprise of the Charity.

In March 2023 a fundraising company was re-appointed. The agreement was reviewed in April 2024 and although the funds raised were twice the cost of raising those funds, it was mutually agreed to take a 3 month break to allow time for an updated web site and the roll out of a rebranding exercise to support the fundraising initiative.

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.

The performance of the Social Enterprise has improved during the year, with encouraging results. Concern regarding the public perception of the Charity led to a review of how the Charity is presented through stationery, van lettering, literature etc. Quotations were invited for rebranding. In September the contract for this was awarded to Amperative and is to be rolled out in the second quarter of 2024.

Fiscal diligence

All expenditure during the period 2022-2023 was for the public benefit in accordance with the Object of the Charity. A scheme of delegation for financial control had been agreed in September 2022.

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 its financial responsibilities as they have fallen due, although the agreement to repay loans has been extended with the lenders consent.

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.

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.

Trustees

Changes in Trustee membership occurred during the year, as follows:

David Tomlinson and Chris Hibbs who were founding Trustees of the Charity retired during the year. The Charity was hugely blessed by their contribution. Discussions are ongoing with a number of potential new Trustees to strengthen the board. Former Trustees continue to be involved in a variety of ways supporting the work.



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Appointment of a Chief Executive

Having established the Business and Investment Plan as the guiding document for the Charity and its Managers, the Trustees turned their attention to the need for a senior manager to whom they could hand the many administrative and managerial tasks they had been carrying since the Charity was registered in 2015. The Chief Executive who was appointed in May 2022 left the Charity in December that year. As permitted under the Charity's governing document, one of the Trustees, has been appointed as Interim Chief Executive on a 60% FTE arrangement pro temps.

Safeguarding Policy

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. This policy was approved by the Trustees in July 2023 and is reviewed annually.

Public Benefit

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

Training for Trustees

The training of Trustees is regularly reviewed to ensure compliance with best practice.

Volunteers

Volunteers are essential to the wellbeing and sustainability of the Charity. The Trustees' 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 details of the Charity's 34 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 5 clients in the Volunteer Plus (V+) programme.

Financial Review

The Charity receives income from several sources. Funds are raised from our shops and warehouse. These facilities also provide volunteering opportunities for people we are supporting. We also partner with North Somerset Council to manage their Welfare Provision Scheme, a bulky waste service (for the disposal of larger items which can't be handled in the regular collections) and a new service aimed at repurposing items that would otherwise go to landfill. Enhanced housing benefit covers the direct costs of operating Andrew House. We are in receipt of some grant income and the local church community continue to support us financially, for which we are enormously grateful. The counselling support we provide and our V+ programme are unfunded. These represent the core of the deficit that we have recorded.

The Business Plan that was produced in 2021 is under review. We are seeking ways to broaden our V+ programme. The residential element has delivered real success in the year and our focus in the current period is to ensure the work is sustainable into the future.

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. 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.

As the scope of the Charity's ministry has grown we have been in the process of a transition from an organisation mainly led and managed by the Trustees, to one where paid executives are leading the day-to-day work. As noted above, ministry leads were appointed to direct the V+ and the community (Andrew House) elements of the work. These are additional to the other senior roles managing our commercial enterprises. These are overseen by a part time CEO (currently being filled on an interim basis).



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Loans 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 in 2020.

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 2024.

Incoming resources of £643,373 (2022 - £499,999) were received in the year with the main source of income being funds raised from the sale of donated goods and the sale of bulky waste. Expenditure of £718,088 (2022 - £545,894) reflected costs of charitable activities of £467,932 (2022 - £418,395) and costs of raising funds of £250,156 (2022 - £127,499). The net result in the year to 30 September 2023 was a deficit of £74,715 (2022 - deficit of £46,639).

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 continued to maintain a Risk Register, 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 balancing of the month-to-month income and expenditure and the repayment / refinance of the debt that the Charity has taken on are under constant review, and form part of the Business and Investment Plan referred to earlier in this report.

Reserves Policy

Our Reserves policy is the subject of review. The Charity has adequate equity in the freehold property (net of all outstanding loans) to be comfortably solvent. It has sufficient reserves of cash to meet its day to day commitments. The costs associated with an unplanned winding up of the charity are covered by cash and other net assets.

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 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.
- Work is in hand to refinance the loans by way of a shared ownership investment model of the house. The Charity remains solvent (on the basis of the most recent valuation of the freehold property) despite the pressures on the monthly results and the repayment of loans. Encouraging progress has been made to deal with both issues and a back-up plan is in place should that be required.



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Future Plans

The ministry of the Charity has never been in better shape. Successful partnerships have been developed with North Somerset Council. Our Fundraising efforts are focused on raising additional income to balance the books and sustain our ministry. We are pursuing a model (pioneered by Hope into Action) to attract investors to share the ownership of Andrew House. The sustained support of the local Christian community has brought enormous blessing to the Charity.

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:

Dr J Schaefer

2 May 2024



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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 2023.

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

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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 matter that has come to my attention is that the Charity relies on the support of another charity to finance its operations by providing a loan of £322,000 secured on the property, Andrew House, owned by the Charity. While the lender has extended the loan to 30 September 2024, this is within 12 months of approval of the financial statements and financing beyond this date is uncertain, indicating a risk that the amount due to the lender may be called in.

This means that there is significant uncertainty as to the charity's ability to continue as a going concern without refinancing of the loan or the sale of the property. The Trustees are confident that alternative sources of funding will be secured. On this basis, the trustees have concluded that it remains appropriate to prepare the charity's accounts on a going concern basis.



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

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

3 MAY 2024

Date

CHANGING LIVES CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
YEAR ENDED 30 SEPTEMBER 2023

		2023	2022
		Unrestricted	Unrestricted
		fund	fund
			(reclassified)
	<i>Note</i>	£	£
Income and endowments from:			
Donations and legacies	2	66,732	44,722
Charitable activities	2	154,545	89,355
Raising funds	2	420,703	365,642
Investments	2	1,393	280
		643,373	499,999
Expenditure on			
Charitable activities	3	467,208	418,395
Raising funds	3	250,136	127,499
		717,344	545,894
Net income/(expenditure) before tax		(73,971)	(45,895)
Tax payable	15	744	(744)
Net income/(expenditure)		(74,715)	(46,639)
Total funds brought forward		129,301	175,940
Total funds carried forward		54,586	129,301

CHANGING LIVES CHARITY (Registered number: 9517906)
BALANCE SHEET
AS AT 30 SEPTEMBER 2023

		2023 Unrestricted fund £	2022 Total funds £
FIXED ASSETS			
Tangible Fixed Assets	9	546,489	551,755
		<u>546,489</u>	<u>551,755</u>
CURRENT ASSETS			
Debtors	10	23,443	15,121
Cash at Bank		88,765	161,559
		<u>112,208</u>	<u>176,680</u>
CREDITORS			
Amounts falling due within one year	11	462,611	135,634
NET CURRENT (LIABILITIES) / ASSETS		<u>(350,403)</u>	<u>41,046</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		196,086	592,801
CREDITORS			
Amounts falling due after more than one year	12, 13	141,500	463,500
NET ASSETS		<u><u>54,586</u></u>	<u><u>129,301</u></u>
FUNDS			
Unrestricted Charitable Funds brought forward 1 October 2022		129,301	175,940
Surplus/(Deficit) for the year		(74,715)	(46,639)
Unrestricted Charitable Funds at 30 September 2023		<u><u>54,586</u></u>	<u><u>129,301</u></u>

The Charity is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 30 September 2023.

The members have not required the company to obtain an audit of its financial statements for the period ended 30 September 2023 in accordance with Section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for:

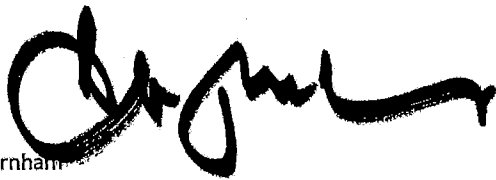
- (a) ensuring that the charity keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and,
- (b) preparing financial statements which give a true and fair view of the state of affairs of the Charitable Company as at the end of each financial year and of its surplus 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 Charity.

CHANGING LIVES CHARITY (Registered number: 9517906)

**BALANCE SHEET
AS AT 30 SEPTEMBER 2023**

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 'I Burnham', written over a horizontal line.

I Burnham

2 May 2024

CHANGING LIVES CHARITY (Registered number: 9517906)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	<i>Note</i>	2023	2022
		£	£
Cash flow from operating activities	16	(45,836)	(49,932)
Interest paid		-	(744)
Net Cash flow from operating activities		(45,836)	(50,676)
Cash flow from Investing activities			
Dividends, interest and rents from investments		1,393	280
Payments to acquire tangible fixed assets		(4,590)	(12,615)
Net cash flow from investing activities		(3,197)	(12,335)
Cash flow from financing activities			
Loan interest paid		(23,761)	(13,108)
Net cash flow from financing activities		(23,761)	(13,108)
Net increase/decrease in cash and cash equivalents		(72,794)	(76,119)
Cash and cash equivalents brought forward		161,559	237,678
Cash and cash equivalents carried forward		88,765	161,559
Cash and cash equivalents consist of;			
Cash at bank and in hand		88,765	161,559

CHANGING LIVES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2023

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

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 Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Charity is a 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. The address of the registered office is given in the charity information on pages 4 to 5 of these financial statements.

The financial statements are prepared in sterling which is the functional currency of the Charity and are rounded to the nearest £.

Reclassification

The Trustees have reassessed the way income and expenditure are analysed with a view that the income and expenditure reported reflects the activities undertaken. As a result, the income and expenditure of the prior year has been reclassified. There has been no effect on the net expenditure for the year or assets and liabilities as a result of the reclassification.

Going concern

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 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.
- Work is in hand to refinance the loans by way of a shared ownership investment model of the house. The Charity remains solvent (on the basis of the most recent valuation of the freehold property) despite the pressures on the monthly results and the repayment of loans. Encouraging progress has been made to deal with both issues and a back-up plan is in place should that be required.

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.

Direct costs are allocated to charitable activities and raising of funds as appropriate. Support costs are apportioned to charitable activities and raising funds in line with the proportional split of income (excluding donations and investment income). Property expenses are apportioned as support costs with the exception of Andrew House costs which are directly allocated to charitable activities.

**CHANGING LIVES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2023**

1 ACCOUNTING POLICIES - continued

Fund accounting

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

Tangible fixed assets

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.

Taxation

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

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 instruments

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 Charity operates a defined contribution pension scheme. Contributions payable to the Charity'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.

CHANGING LIVES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2023

2	INCOME	2023 £	2022 £ (reclassified)
	Donations and legacies		
	Donations	10,607	15,617
	Other income (Gift Aid)	7,453	5,482
	Grant income	48,672	23,623
	Total donations	66,732	44,722
	Charitable activities		
	Rental Income	74,576	3,155
	Welfare Provision Scheme	65,283	74,789
	Delivery	12,227	9,311
	Other	2,459	2,100
	Total charitable activities	154,545	89,355
	Raising funds		
	Sales	294,733	230,807
	Auction sales	5,260	5,822
	Bulky waste	86,196	75,693
	House clearance	34,514	53,320
	Total raising funds	420,703	365,642
	Investments		
	Income from investments	1,393	280
	Total investments	1,393	280
	Total income	643,373	499,999
	Charitable activities to raising funds ratio	27:73	20:80
		575,248	454,997

The prior year figures have been reclassified to show the Welfare Provision Scheme and related income as a charitable activity. The charitable activity to raising funds income ratio has been recalculated to reflect the reclassification.

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

	2023 £	2022 £
Kickstart	-	13,703
National Lottery	-	9,920
Bupa Foundation	5,000	-
St Andrews Clevedon	1,500	-
JA Settlement	1,000	-
Garfield Weston	30,000	-
Westport c/o University of the West of England	7,172	-
Grants received under £1,000	1,000	-
	45,672	23,623

CHANGING LIVES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2023

3	COST SUMMARY	2023		2022	
		Charitable activities	Raising funds	Charitable activities	Raising funds
	Direct costs (note 4)	326,652	198,150	305,793	99,349
	Support costs (note 5)	140,556	51,986	112,601	28,150
		467,208	250,136	418,394	127,499

4	DIRECT COSTS	2023	2022
		£	£ (reclassified)
	Costs of charitable activities		
	Appliances for Welfare Provision Scheme	53,638	51,906
	Welfare Provision Scheme installation	5,145	2,631
	Consulting/professional fees	32,296	16,513
	Charitable donations	107	-
	V Plus wellness costs	5,214	-
	Direct property expenses (see below)	41,555	31,781
	Depreciation - charitable activity	986	804
	Salaries - charitable activity	162,602	185,739
	Employers NI	22,884	14,099
	Pensions costs	2,225	2,320
	Total direct costs attributable to charitable activities	326,652	305,793
	Costs of raising funds		
	Bulky waste disposal	8,392	6,417
	Rental costs for waste	8,393	6,416
	Motor vehicle expenses	15,722	14,852
	Operating lease payments	8,293	7,660
	Salaries - trading employees	136,540	55,000
	Pensions costs - raising funds employees	1,940	686
	Consulting/professional fees	10,000	-
	Depreciation - raising funds	8,870	8,318
	Total direct costs attributable to raising funds	198,150	99,349
	Total direct costs	524,802	405,142
	DIRECT PROPERTY EXPENSES (Andrew House)		
	Insurance	3,812	6,187
	Light, power, heating	3,812	5,129
	Legal expenses	10	175
	Rates	4,998	2,534
	Telephone and Internet	1,523	389
	Loan interest on property	23,761	13,108
	Repairs & maintenance	3,639	4,259
		41,555	31,781

CHANGING LIVES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2023

	2023	2022
	£	£
		(reclassified)
5 SUPPORT COSTS		
Advertising and marketing	15,800	10,628
Bank fees	1,636	1,084
Charity admin costs (see note 6)	141,641	93,356
Food & drink	2,836	1,345
General expenses	15,361	19,414
IT software and consumables	5,162	3,538
Printing, stationery and postage	1,352	1,304
Staff training	2,105	3,465
Subscriptions	463	547
Telephone and internet	3,024	1,627
Travel - national	3,162	4,443
	192,542	140,751
		(reclassified)
Charitable activities 73% (2022 - 80%)	140,556	112,601
Raising funds 27% (2022 - 20%)	51,986	28,150
	192,542	140,751

CHANGING LIVES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2023

	2023	2022
	£	£
6 CHARITY ADMINISTRATION COSTS		
Audit & accountancy fees	4,139	3,043
Salaries	33,238	26,749
Pensions costs	463	334
Employers NI	2,543	1,566
General expenses	1,703	2,157
Insurance	10,646	6,186
IT software and consumables	5,162	3,539
Rent	33,293	23,441
Rates	4,946	8,004
Light, power and heating	22,148	7,010
Repairs and maintenance	20,041	8,237
Subscriptions, postage and stationery	1,815	1,851
Telephone and internet	1,501	1,239
Bank interest	3	-
	141,641	93,356
7 STAFF COSTS		
Wages and salaries	332,380	267,488
Social security costs	25,427	15,665
Pension costs	4,628	3,340
	362,435	286,493

The average number of employees during the period was 15 (2022 - 15).

No employees received emoluments in excess of £60,000 in 2023 or 2022.

8 INDEPENDENT EXAMINER'S REMUNERATION

The Independent Examiner's remuneration consists of the following:

	2023	2022
	£	£
For independent examination	984	984
For non-audit work	1,466	1,356
	2,450	2,340

CHANGING LIVES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2023

9 TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Fixtures & Fittings	Motor Vehicles	Total
COST	£	£	£	£
As at 30 September 2022	520,934	16,799	27,117	564,850
Additions	-	300	4,290	4,590
As at 30 September 2023	520,934	17,099	31,407	569,440
DEPRECIATION				
As at 30 September 2022	-	3,480	9,615	13,095
Charge	-	1,523	8,333	9,856
As at 30 September 2023	-	5,003	17,948	22,951
NET BOOK VALUE				
As at 30 September 2023	520,934	12,096	13,459	546,489
As at 30 September 2022	520,934	13,319	17,502	551,755

The loan of £322,000 is secured on the freehold property.

10 DEBTORS

	2023	2022
	£	£
Trade debtors	11,480	10,428
Corporation tax reclaim	-	2,256
Other debtors and prepayments	11,963	2,437
	23,443	15,121

11 CREDITORS: Amounts falling due within one year

	2023	2022
	£	£
Loans from Trustees and related parties	110,000	110,000
Trade creditors	15,289	8,135
Tax	-	3,000
Social security and other taxes	5,918	7,037
Other creditors and accruals	9,353	2,661
Mortgage loan on property repayable under 1 year	322,000	-
Van loans	51	4,801
	462,611	135,634

Included in other creditors is £2,965 (2022 - £1,587) in relation to pension contributions owing.

CHANGING LIVES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2023

12 CREDITORS: Amounts falling due after more than one year

	2023	2022
	£	£
Loans from Trustees		
Over 5 years	65,500	65,500
Over 1 year, under 5 years	5,000	5,000
Company loan		
Over 5 years	71,000	71,000
Mortgage loan on property repayable under 5 years	-	322,000
	141,500	463,500

13 SECURED DEBTS

The following secured debts are included within creditors:

	2023	2022
	£	£
Mortgage loan on property	322,000	322,000

14 RELATED PARTY TRANSACTIONS

The Charity has received loans from trustees and related parties as follows;

		2023	2022
		£	£
Keystone Projects & Management Limited*	Repayable in less than 1 year	110,000	110,000
Terry Mears	Repayable in over 1 year	5,000	5,000
Management Limited*	Repayable in over 5 years	71,000	71,000
Jeff Peacock	Repayable in over 5 years	65,500	65,500
		251,500	251,500

* From Keystone Projects & Management Limited (of which David Tomlinson, a Trustee of Changing Lives Charity until 31 March 2023, is a director and shareholder).

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

Between 1 and 5 years	5,000	5,000
Over 5 years	65,500	65,500
	70,500	70,500

During the Year, I Burnham, a director of the charity was paid consulting fees of £11,189 (2022 - £nil) in his position as consultant, acting CEO, of the Charity.

Expenses totalling £43 were paid to one trustee for travel during the year ended 30 September 2023. There were no expenses paid for the period ended 30 September 2022.

CHANGING LIVES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2023

15 TAXATION

	2023	2022
	£	£
Current tax:		
UK corporation tax owed to HMRC 2021/22	-	3,000
UK corporation tax due from HMRC 2020/21	-	(2,256)
Tax on trading profit	-	744

HMRC subsequently determined that the Charity is not liable to corporation tax and the tax paid was recovered.

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

	2023	2022
	£	£
Net income / (expenditure) for year / period	(74,715)	(45,895)
Depreciation and impairment of tangible fixed assets	9,856	9,122
Income from investments	(1,393)	(280)
(Increase) / decrease in debtors	(8,322)	7,501
Increase / (decrease) in creditors	4,977	(33,488)
Loan interest paid	23,761	13,108
Net cash flow from operating activities	(45,836)	(49,932)