



**Empower**  
**Respect and Dignity**  
**Educate**  
**Collaborate**

## CHANGING PATHWAYS

Our vision is of a world in which all can live fulfilled lives, free from domestic abuse. The report will review our progress in achievement of this vision and will examine our progress in relation to our key drivers.

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Empower

Respect and  
Dignity



Educate

Collaborate



# CHANGING PATHWAYS TRUSTEES' REPORT

**FOR THE YEAR ENDING 31st MARCH 2021**

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## Summary

The trustees present their report and financial statements for the year ending 31st March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

## Objectives and Activities

In this report the Trustees of Changing Pathways look at what the Charity has achieved and the outcomes of our work between April 2020 and March 2021. This report reviews our progress:

- towards achieving our vision of a world in which all can live fulfilled lives free from domestic abuse
- towards achieving our mission in pursuit of this vision to help each individual find their pathway out of a life of domestic abuse and change their future for the better,
- by identifying the key aims and objectives that we have worked towards and how successful Changing Pathways has been in focusing activity on the pursuance of our charitable objects, namely:

'To relieve the needs of persons who are victims of, or in fear of, domestic violence and/or abuse in Essex and surrounding areas in particular but not exclusively, by providing refuge, counselling and practical support for victims of domestic violence, raising public awareness of domestic abuse issues; and in such other ways as the trustees may from time to time decide.'

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing the Charity's aims and objectives and in planning how our activities will contribute to the aims and objectives that have been set. This is supported by a performance monitoring and reporting system and an annual consultation programme for staff and clients.

## Beneficiaries of our Services

During its third year of operation as Changing Pathways, the Charity has continued to deliver specialist support to survivors of domestic abuse, covering South and West Essex which comes under the remit of Essex County Council and the Borough Councils of Basildon, Brentwood, Castle Point, the District Councils of Epping Forest, Harlow and Rochford, and the Unitary Authority of Thurrock.

We strive to provide responsive and high-quality support to survivors of the broadest definition of domestic abuse including stalking and harassment, 'honour-based' abuse and forced marriage and all other forms of violence against women and girls. We take a strength-based approach to our support, working with survivors to empower them to choose a different pathway, one that enables them to live their lives free from fear and abuse.

## Covid 19

As we adjusted throughout the global pandemic we learnt from our data that domestic abuse was in a state of flux; our usual peaks and troughs were disturbed and where we saw a sudden decrease in referrals early on, this was followed by a rapid and significant increase soon after. Throughout Summer 2020 our numbers stayed high overall, slowly settling through to the autumn. Working from home and restrictions on face to face contact were challenging for practitioners and clients as they adapted to connecting remotely, always having safety at the forefront of their thinking. For some of our clients the 'new normal' remote way of receiving support was comfortable, but for some, however, this would not have been their preference. Our refuge accommodation remained open with the appropriate safety measures and support from Public Health where there were instances of Covid in our residential communities. As time rolled on and we became clearer about how we could manage our work and Covid, we were able to re-introduce face to face contact in line with risk assessing the overall situation.

# CHANGING PATHWAYS TRUSTEES' REPORT

## FOR THE YEAR ENDING 31st MARCH 2021

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### Statistics

In 2020-21, Changing Pathways reached a total of 2,153 survivors of domestic abuse, providing both telephone and face to face support with a total of 84% of survivors reporting improved personal outcomes. The total number of survivors reached in 2020-21 represents an increase of 17% on 2019-20 where Changing Pathways reached 1,844 survivors.

Domestic abuse has a devastating impact on all communities. However, as reflected in the gendered nature of domestic abuse, the majority of survivors we supported were female. Reflecting the changing local community profile, 12% of clients were from BAME (Black, Asian, Minority Ethnic) communities. 33% of clients reported being disabled with 6% of disabled survivors reporting having more than one disability. 25% had a mental health disability. Across all of our services 40% (455) were victims of surveillance/harassment/stalking types of abuse. 50 of these victims were open to our Stalking and Harassment service.

We received 121 referrals for our refuge services, a decrease of 100 referrals on the previous year with 64 being offered a place in one of our temporary bed spaces. In total, the number of survivors of domestic abuse that we accommodated was slightly lower with 101 women and 146 children in our refuges and they stayed on average for 8.1 months, which is two months longer than the previous year.

Women who stayed in the refuge were supported to achieve positive outcomes for their family, with 78% securing a safe move-on option and 92% of residents reporting an increase in confidence in asking for help and 97% reporting feeling better able to recognise abusive behaviour. 93% stated that they understand more about the impact of abuse on their child / children. 88% had an improvement in their support networks.

Across all our services 96% of survivors reported feeling better able to recognise abusive behaviour and 95% feel they understand more about the impact of abuse on my child/children.

Throughout the course of this financial period we have continued to be responsive to both the local picture and data as well as Government guidance in relation to the Covid-19 pandemic.

During periods of lockdown elements of our service provision that could not be adapted to remote ways of working have either been altered or stopped altogether, for example group work was suspended, and counselling provision moved to an on-line delivery platform where appropriate.

As always, we sought to keep our clients at the heart of everything we do and took this opportunity to re-model our therapeutic interventions moving us to a trauma informed approach to our work. New developments include a suite of psycho-educational videos, dialectical behavioural therapeutic groups and training for staff in Motivational Interviewing (a technique to support clients in working with change).

### Our Achievements and Performance through 2020/2021

#### **1 - Improve service offer for women experiencing multiple disadvantage and those accessing health services.**

Our IDVA work at Basildon and Thurrock University Hospital continued throughout Covid 19 and both National and Local lockdowns, and we successfully secured funding increasing our staffing levels to two full time practitioners. Through 2020--2021 the EDAPP service supported 38% more people compared to the previous year.

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In the early part of 2021 we became proud participants in the Essex Partnership University Trust-led Trauma Alliance, a group that shares both experience and new and emerging practice in working with trauma.

# CHANGING PATHWAYS TRUSTEES' REPORT

**FOR THE YEAR ENDING 31st MARCH 2021**

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## **2 - Ensure our services promote and reflect increased equality and diversity and hidden harms.**

Throughout 2020 we continued to build on the work we undertook in 2019 to help us develop our understanding around all issues of Equality and Diversity and set our intentions in prioritising this area of work. We worked with the National Centre for Diversity to systematically assess and review our policies, practices and culture, achieving the investor award for Equality and Diversity.

We have improved our analysis of equality and diversity data across the organisation and have set our intention to feature this as a key headline in the 2022 – 2025 strategic plan.

Our specialist BAME service has expanded and funding is more secure. Our service experienced a 59% increase in referrals from the previous year.

Via the Inclusivity Panel we continue to consider how best the organisation can meet the needs of the LGBTQ+ survivors of domestic abuse and explore partnerships to increase accessibility for this group. The inclusivity work is practitioner-led and is a place for us to explore best practice and check new developments in our work against our equality and diversity expectations.

## **3 - Expand our service offer for children and young people.**

We have achieved a lot in this area of our planned work despite the challenges that the pandemic brought in terms of accessing training.

The addition of our Children and Families' Lead, a senior practitioner post, enabled us to make significant inroads in planned developments, affording us the capacity to introduce working with the children in a trauma informed way using the trauma animals developed by The Beacon House Trust. Introducing the Incredible Years Programme to our offer for families has enabled mothers to understand how the abuse has affected their children and how this is displayed through the children's behaviour, giving them the tools and strategies to use to decrease these challenging behaviours.

We continue to deliver the Helping Hands Programme for children.

## **4 - Develop specialist interventions in trauma informed work, group work and training to aid recovery.**

We spent significant time during the year to fully remodel our therapeutic interventions for both adults and children as we commit to establishing ourselves as a trauma informed service. We have developed a suite of psycho-educational videos that our clients will be able to work through with their case worker to support them in understanding the impact of the trauma they have experienced may have had. We have developed a dialectical behaviour therapeutic-based programme which addresses things like increasing distress tolerance and emotional regulation as well as some mindfulness practice.

Building upon some of the training sessions we had in place, we now have a full suite of off the shelf training options that we have been able to deliver to key partners throughout the 2019-2020 year. We have worked with a number of agencies including Essex Police, Epping Forest District Council and Thurrock L.A. to deliver these training sessions using remote platforms throughout the pandemic. Not only has this helped increase the domestic abuse knowledge base across all partners but it has also supported our partnership working, raising our profile and clarifying referral mechanisms.

## **5 – Provide the highest quality services to survivors of domestic abuse through an employee development and succession programme.**

Changing Pathways is fully committed to continuing professional development and we very much want to establish a sustainable mechanism for welcoming new staff into our team, ensuring they are supported and challenged in their learning and fully embedding CPD into our culture and practice. With this in mind we have developed a Core Competency Framework which sets out induction plans and key performance indicators for

# CHANGING PATHWAYS TRUSTEES' REPORT

## FOR THE YEAR ENDING 31st MARCH 2021

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employees ensuring they are aligned to the organisational vision and values. Going forward we will be able to conduct appraisals and set training plans and objectives using this framework.

We have continued with our training for Independent Domestic Violence Advisors through the 2019-2020 year.

### **6 - Develop a pathway to client involvement and set out the organisations approach to full involvement across all aspects of the organisation**

This has been a challenging area for Changing Pathways in terms of delivering through a pandemic year where face to face contact has been significantly limited by government guidelines in relation to working safely with Covid 19. We have been able to establish focus groups for both our clients and practitioners so we have forums where we can consult where needed.

#### **Plans for the Future – Strategic Plan April 1<sup>st</sup> 2022 to March 31<sup>st</sup> 2025**

A Strategic Away Day was held off site in September 2021, attended by all staff and trustees. We worked with an external facilitator to work creatively and collaboratively in identifying and prioritising our future strategic work. Working inclusively with all colleagues is informed by the Changing Pathways culture and our commitment to empowering each other.

As a result, a number of headline areas emerged, to form the Strategic Plan 2022 to 2025, as follows:

- To invest and develop our workforce.
- To increase Financial Resilience.
- To improve the management of our assets.
- To develop our presence in the West of the county.
- To fully embed our Equality and Diversity commitment across the organisation.
- To develop our social media presence across multiple platforms.

#### **Financial Review**

In 2020-21, the senior leadership team were focused on managing the Covid-19 pandemic and the implications for the organisation. The Government Guidelines and restrictions increased financial burdens onto organisations to ensure Covid secure protocols were met. The organisation reacted promptly to bid for further funding to offset additional costs that the organisation incurred. Through securing of additional funding, we were able to build and develop our specialist services further.

Ongoing managing and adaptations to meet the changing need for the major tenders awarded previously was also undertaken.

These new contracts have provided a strong and sustainable financial foundation for the next three to five years and the focus can move to income generation to further build the specialist services and income diversification strategies.

#### **Reserves Policy**

Changing Pathways has two types of funds as follows:

##### **Restricted funds**

- Funding received from donors for specific purposes;
- Restriction by activity or geographical region;
- These funds are ring-fenced for specified purposes and, therefore, do not form part of available reserves;

##### **Unrestricted funds**

- Funding received that are available for any purpose and anywhere;
- These include designated funds;

Reserves are represented by unrestricted funds (excluding designated funds) less tangible fixed assets. The level of reserves required have been set at three to six months of non-charitable activity costs. Charitable activity costs have been excluded from these calculations for the following reasons:

- Non-core charitable activities will only be carried out for the duration that funding is available;
- Designated funds have been created to support core charitable activities (e.g. refugees)

# CHANGING PATHWAYS TRUSTEES' REPORT

## FOR THE YEAR ENDING 31st MARCH 2021

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The Trustees consider that reserves at this level will ensure that, in the event of a significant drop of funding, they will be able to continue the Charity's current activities whilst consideration is given to ways in which additional funds may be raised.

To assist the Charity in meeting its charitable objectives in the future, a number of designated funds have been created. The Capital reserve was set up to finance the continuous replacement of a minibus which is central to the day to day running of the Charity's functions. This reserve is maintained at approximately the value of the current vehicle plus cash reserve necessary to replace which is currently £25,607. The Rent Reserve is a condition of the property lease and holds at least two months' worth of operating costs which will be used to meet rental commitments should incoming resources and general-purpose funds not be sufficient. The Board have decided that this fund should be maintained at £100,000. The Contingency fund was set up to help meet any unforeseen expenses and has been set at not less than £15,000 by Trustees and it is currently at £16,655.

The available funds in the reserves at the year-end were £1,037,858. Included within the available funds are restricted funds of £168,285.

### Risks

There are risk registers in place to cover both the organisational risks and those risks associated with the larger EIDAS contract. These are reviewed at the Board meetings.

In April 2021 the Domestic Abuse Act received Royal Assent placing new duties on Tier One local authorities in terms of responding to the housing needs of victims of domestic abuse, progressing changes to some criminal justice issues such as Domestic Abuse Protection Notices and Orders and establishing non-fatal strangulation as a criminal offence. In addition the Act recognises children as victims of domestic abuse in their own right bringing with it a funding stream that will support work previously paid for from organisational reserves and fund raising activities.

### Review of Financial Position

Changing Pathways holds a reasonable financial position.

### Structure, Governance and Management

Governing Document - The organisation is a charitable company limited by guarantee and registered as a Charity. The Charity is governed under its Articles of Association.

Company Status - Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up. The total number of such guarantees at 31st March 2021 was six.

Trustees - The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

J Gould (Chair)  
L Headley (Vice Chair)  
P Collinson (Treasurer)  
A Wright (Treasurer)  
JK Deeney  
L Martin

They have no beneficial interest in the Charity. All trustees give their time voluntarily and receive no benefits from the Charity. Any expenses reclaimed from the Charity are set out in the accounts.

The trustees undertake an annual skills audit to identify an address any gaps in Board experiences. There is an induction and training plan for all trustees to strengthen their role in strategic planning and they attend mandatory training in safeguarding and equality and diversity.

All trustees give their time voluntarily and receive no benefits from the Charity. Any expenses reclaimed from the Charity are set out in the accounts.

# CHANGING PATHWAYS TRUSTEES' REPORT

**FOR THE YEAR ENDING 31st MARCH 2021**

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## **Organisational Structure**

The organisation is affiliated to Women's Aid Federation of England (WAFE) but is an independent charitable company with its own structure and operational policies.

The Trustees delegate day-to-day management of the Charity to the Chief Executive Officer (CEO) and Senior Leadership Team (SLT) which in 2020-2021 included:

### **Senior Leadership Team**

- Chief Executive Officer Tracy Vallis
- Finance Manager Sarah Harris
- Business Manager Julie Johnson
- Operational Manager Natasha Jean-Louis
- Operational Manager Zoe McKee
- Operational Manager Ranjit Sindhar
- Operational Manager Gemma Faraway

The CEO and SLT make decisions on daily operations, with any decisions concerning the strategic direction, additional spend on budget, legal issues, governance and anything else considered outside the remit of the CEO or SLT, being escalated to the Board of Trustees.

## **Staff Remuneration Policy**

The remuneration package for all personnel comprises of a basic salary and contribution to a pension scheme. Salaries are paid in accordance with the National Joint Council scales and are reviewed annually by the Board of Trustees. The organisation pays at least the Living Wage as set out by the Living Wage Foundation; due to Covid-19 situation there has been a delay in achieving accreditation. The Charity is subject to auto-enrolment and contributions are currently made at 3%. The Charity is supported to meet its requirements under auto-enrolment by the Work Place Pension Group and payroll provider, Rickard Luckin.

## **Auditor**

Rickard Luckin Limited were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at the General Meeting.

## **Disclosure of Information to Auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Jennifer Gould  
**Chair Person**

Dated: 30<sup>th</sup> November 2021

## Our Funders

## Thank you

The following organisations and individuals have contributed to our work during the year through their kind donations and funding:

6th Billericay Scout Group	Billericay Methodist Church
Castle Point Ladies Dining	S&H Morning Charity Group
Billericay Methodist Church	George hopper
Corner Stone Lodge	Demi Barker
Billericay PCC	IPEX management
L Willis	Hatfield Peverel Bowling Club
Mr & Mrs Martin	Warrior Women
Randall memorial Christian Spiritualist Church	Shenfield & Hutton (Morning) W.I.
The Parochial Church	Cecilia Clark
SEC	Royal Mail
Salvation Army	Thorpe Hall Donation
Thorndons WI	The Warely U3A Organisation
Paypal	PCC Langdon Hills
Grays URC Donations	JS Triston
Methodist Church Donation	Mrs. Carlane
Thorpe Hall Donation	Mr. Barnard
Morrison & Foerster LLP Foundation	West and Coe
Food Bank	Wellspring Church
Sainsburys	Tescos
The Funwalk Trust	Intu
Dogs Trust	Palmers Solicitors
Fiserv	Mr and Mrs. Ward
Brentwood Belles	Cooper family
Devonshires	

**A huge “Thank you” to those that have donated and supported us throughout the year. We are so grateful for your continued support – it really makes a difference to our clients and their children.**



# Changing Pathways

ENDING ABUSE. EMPOWERING LIVES.

## Contact Us

Advice: 01268 729707

All calls are strictly confidential.

@Pathwaytosafety @Changingpathwaysessex @Changingpathways

Enquires: [welcome@changingpathways.org](mailto:welcome@changingpathways.org)

[www.changingpathways.org](http://www.changingpathways.org)

## Contact COMPASS

Essex Domestic Abuse Helpline: 0330 333 7444 (24 hours)



Ending  
Violence  
in Essex



Basildon Council

[thurrock.gov.uk](http://thurrock.gov.uk)



**Charity Registration No. 1172214**

**Company Registration No. 09941590 (England and Wales)**

**CHANGING PATHWAYS**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**∴RickardLuckin**

# CHANGING PATHWAYS

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	JK Deeney	
	J Gould	
	L Headley	(Appointed 9 November 2020)
	L Martin	(Appointed 7 December 2020)
	P Collinson	(Appointed 28 July 2021)
	A Wright	(Appointed 28 July 2021)
<b>Secretary</b>	S Harris	
<b>Charity number</b>	1172214	
<b>Company number</b>	09941590	
<b>Registered office</b>	Parklands Centre Felmores End Felmores Basildon Essex SS13 1PN	
<b>Auditor</b>	Rickard Luckin Limited Phoenix House, Suite 8 Christopher Martin Road Basildon Essex SS14 3EZ	
<b>Charity's website</b>	<a href="https://changingpathways.org/">https://changingpathways.org/</a>	

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# **CHANGING PATHWAYS**

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# CHANGING PATHWAYS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2021

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The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

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#### Beneficiaries of our Services

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## **CHANGING PATHWAYS**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Statistics**

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##### **1 - Improve service offer for women experiencing multiple disadvantage and those accessing health services.**

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## **CHANGING PATHWAYS**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2021**

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#### **2 - Ensure our services promote and reflect increased equality and diversity and hidden harms.**

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We continue to deliver the Helping Hands Programme for children.

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## **CHANGING PATHWAYS**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

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**5 – Provide the highest quality services to survivors of domestic abuse through an employee development and succession programme.**

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We have continued with our training for Independent Domestic Violence Advisors through the 2019-2020 year.

**6 - Develop a pathway to client involvement and set out the organisations approach to full involvement across all aspects of the organisation**

This has been a challenging area for Changing Pathways in terms of delivering through a pandemic year where face to face contact has been significantly limited by government guidelines in relation to working safely with Covid 19. We have been able to establish focus groups for both our clients and practitioners so we have forums where we can consult where needed.

#### **Plans for the Future – Strategic Plan April 1st 2022 to March 31st 2025**

A Strategic Away Day was held off site in September 2021, attended by all staff and trustees. We worked with an external facilitator to work creatively and collaboratively in identifying and prioritising our future strategic work. Working inclusively with all colleagues is informed by the Changing Pathways culture and our commitment to empowering each other.

As a result, a number of headline areas emerged, to form the Strategic Plan 2022 to 2025, as follows:

- To invest and develop our workforce.
- To increase Financial Resilience.
- To improve the management of our assets.
- To develop our presence in the West of the county.
- To fully embed our Equality and Diversity commitment across the organisation.
- To develop our social media presence across multiple platforms.

#### **Financial Review**

In 2020-21, the senior leadership team were focused on managing the Covid-19 pandemic and the implications for the organisation. The Government Guidelines and restrictions increased financial burdens onto organisations to ensure Covid secure protocols were met. The organisation reacted promptly to bid for further funding to offset additional costs that the organisation incurred. Through securing of additional funding, we were able to build and develop our specialist services further.

Ongoing managing and adaptations to meet the changing need for the major tenders awarded previously was also undertaken.

These new contracts have provided a strong and sustainable financial foundation for the next three to five years and the focus can move to income generation to further build the specialist services and income diversification strategies.

## **CHANGING PATHWAYS**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

---

#### **Reserves Policy**

Changing Pathways has two types of funds as follows:

#### **Restricted funds**

- Funding received from donors for specific purposes;
- Restriction by activity or geographical region;
- These funds are ring-fenced for specified purposes and, therefore, do not form part of available reserves;

#### **Unrestricted funds**

- Funding received that are available for any purpose and anywhere;
- These include designated funds;

Reserves are represented by unrestricted funds (excluding designated funds) less tangible fixed assets. The level of reserves required have been set at three to six months of non-charitable activity costs. Charitable activity costs have been excluded from these calculations for the following reasons:

- Non-core charitable activities will only be carried out for the duration that funding is available;
- Designated funds have been created to support core charitable activities (e.g. refugees)

The Trustees consider that reserves at this level will ensure that, in the event of a significant drop of funding, they will be able to continue the Charity's current activities whilst consideration is given to ways in which additional funds may be raised.

To assist the charity in meeting its charitable objectives in the future, a number of designated funds have been created. The Capital reserve was set up to finance the continuous replacement of a minibus which is central to the day to day running of the charity's functions. This reserve is maintained at approximately the value of the current vehicle plus cash reserve necessary to replace which is currently £25,607. The Rent Reserve is a condition of the property lease and holds at least two months' worth of operating costs which will be used to meet rental commitments should incoming resources and general purpose funds not be sufficient. The Board have decided that this fund should be maintained at £100,000. The Contingency fund was set up to help meet any unforeseen expenses and has been set at not less than £15,000 by Trustees and it is currently at £16,655.

The available funds in the reserves at the year-end were £1,037,858. Included within the available funds are restricted funds of £168,285.

#### **Risks**

There are risk registers in place to cover both the organisational risks and those risks associated with the larger EIDAS contract. These are reviewed at the monthly Board meetings.

In April 2021 the Domestic Abuse Act received Royal Assent placing new duties on Tier One local authorities in terms of responding to the housing needs of victims of domestic abuse, progressing changes to some criminal justice issues such as Domestic Abuse Protection Notices and Orders and establishing non-fatal strangulation as a criminal offence. In addition the Act recognises children as victims of domestic abuse in their own right bringing with it a funding stream that will support work previously paid for from organisational reserves and fund raising activities.

#### **Review of Financial Position**

Changing Pathways holds a reasonable financial position.

## CHANGING PATHWAYS

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

---

#### Structure, Governance and Management Governing Document

The organisation is a charitable company limited by guarantee and registered as a charity. The charity is governed under its Articles of Association.

#### Company Status

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2021 was six.

#### Trustees

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

SJ Tilling	(Resigned 19 October 2020)
JK Deeney	
KJ Fowler	(Resigned 5 July 2021)
J Gould	
S Reed	(Resigned 21 September 2021)
L Headley	(Appointed 9 November 2020)
L Martin	(Appointed 7 December 2020)
P Collinson	(Appointed 28 July 2021)
A Wright	(Appointed 28 July 2021)

They have no beneficial interest in the charity. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in the accounts.

The trustees undertake an annual skills audit to identify an address any gaps in Board experiences. There is an induction and training plan for all trustees to strengthen their role in strategic planning and they attend mandatory training in safeguarding and equality and diversity.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in the accounts.

#### Organisational Structure

The organisation is affiliated to Women's Aid Federation of England (WAFE) but is an independent charitable company with its own structure and operational policies.

The Trustees delegate day-to-day management of the charity to the Chief Executive Officer (CEO) and Senior Leadership Team (SLT) which in 2020-2021 included:

Chief Executive Officer	Tracy Vallis
Finance Manager	Sarah Harris
Business Manager	Julie Johnson
Operational Management	Natasha Jean-Louis
	Zoe McKee
	Ranjit Sindhar
	Gemma Faraway

The CEO and SLT make decisions on daily operations with any decisions concerning the strategic direction, additional spend on budget, legal issues and anything else considered outside the remit of the CEO or SLT, being escalated to the Board of Trustees.

## CHANGING PATHWAYS

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Staff Remuneration Policy

The remuneration package for all personnel comprises of a basic salary and contribution to a pension scheme. Salaries are paid in accordance with the National Joint Council scales and are reviewed annually by the Board of Trustees. The organisation pays at least the Living Wage as set out by the Living Wage Foundation; due to Covid-19 situation there has been a delay in achieving accreditation. The Charity is subject to auto-enrolment and contributions are currently made at 3%. The Charity is supported to meet its requirements under auto-enrolment by the Work Place Pension Group and payroll provider, Rickard Luckin.

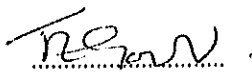
#### Auditor

Rickard Luckin Limited were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

#### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



J Gould

Trustee

Dated: 21 Dec 2021

# **CHANGING PATHWAYS**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 MARCH 2021**

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The trustees, who are also the directors of Changing Pathways for the purpose of company law, are responsible for preparing the Trustees' Report 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The trustees confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

# CHANGING PATHWAYS

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CHANGING PATHWAYS

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### Opinion

We have audited the financial statements of Changing Pathways (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity 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 charity'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
  - the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.
-

## **CHANGING PATHWAYS**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CHANGING PATHWAYS**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

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

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.

#### **Capability of the audit in detecting irregularity, including fraud**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our: general commercial and sector experience; through verbal and written communications with those charged with governance and other management; and via inspection of the charity's regulatory and legal correspondence.

We discussed with those charged with governance and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations to our team and remained alert to any indicators of noncompliance throughout the audit, we also specifically considered where and how fraud may occur within the charity.

The potential effect of these laws and regulations on the financial statements varies considerably.

## CHANGING PATHWAYS

### INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CHANGING PATHWAYS

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Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements, including: the charitable company's constitution; relevant financial reporting standards; company and charity law; the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (effective from 1 January 2019) and we assess the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We identified the following areas as those most likely to have such an affect: legislation directly applicable to charities sector such as the Charities Act 2011; employment legislation; health and safety legislation; the regulatory requirements of the Charity Commission and data protection legislation.

International Auditing Standards (UK) limit the required procedures to identify non-compliance with these laws and regulations to the procedures, and no procedures over and above those already noted are required. These limited procedures did not identify any actual or suspected non-compliance which laws and regulations that could have a material impact on the financial statements.

In relation to fraud, we performed the following specific procedures in addition to those already noted:

- Challenging assumptions made by management in its significant accounting estimates in particular: recognition of income;
- Identifying and testing journal entries, in particular any entries posted with unusual nominal ledger account combinations;
- Performing analytical procedures to identify unexpected movements in account balances which may be indicative of fraud;
- Ensuring that testing undertaken on both the Statement of Financial Activity (SoFA) and the Balance Sheet includes a number of items selected on a random basis.

These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with International Auditing Standards (UK). For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## CHANGING PATHWAYS

### INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CHANGING PATHWAYS

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#### 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.



Kate Bell (Senior Statutory Auditor)  
for and on behalf of Rickard Luckin Limited

21/12/21

Chartered Accountants  
Statutory Auditor

Phoenix House, Suite 8  
Christopher Martin Road  
Basildon  
Essex  
SS14 3EZ

## CHANGING PATHWAYS

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

#### Current financial year

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
	Notes					
<b><u>Income and endowments from:</u></b>						
Donations	3	67,365	-	16,683	84,048	43,693
Charitable activities	4	14,497	848,776	1,321,131	2,184,404	1,995,399
Fundraising	5	7,015	180	-	7,195	78,690
Investments	6	210	-	-	210	773
Other income	7	5,678	6,806	2,440	14,924	-
<b>Total Income</b>		<b>94,765</b>	<b>855,762</b>	<b>1,340,254</b>	<b>2,290,781</b>	<b>2,118,555</b>
<b><u>Expenditure on:</u></b>						
Raising funds	8	-	-	-	-	14,212
Charitable activities	9	-	684,098	1,370,915	2,055,013	1,859,791
<b>Total resources expended</b>		<b>-</b>	<b>684,098</b>	<b>1,370,915</b>	<b>2,055,013</b>	<b>1,874,003</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>94,765</b>	<b>171,664</b>	<b>(30,661)</b>	<b>235,768</b>	<b>244,552</b>
Gross transfers between funds	16	(14,104)	(19,037)	33,141	-	-
<b>Net income for the year/ Net movement in funds</b>		<b>80,661</b>	<b>152,627</b>	<b>2,480</b>	<b>235,768</b>	<b>244,552</b>
Fund balances at 1 April 2020		121,023	515,262	165,805	802,090	557,538
<b>Fund balances at 31 March 2021</b>		<b>201,684</b>	<b>667,889</b>	<b>168,285</b>	<b>1,037,858</b>	<b>802,090</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

## CHANGING PATHWAYS

### STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

Prior financial year

		Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes				
<b><u>Income and endowments from:</u></b>					
Donations	3	37,731	-	5,962	43,693
Charitable activities	4	-	886,343	1,109,056	1,995,399
Other trading activities	5	10,178	-	68,512	78,690
Investments	6	773	-	-	773
<b>Total income</b>		<b>48,682</b>	<b>886,343</b>	<b>1,183,530</b>	<b>2,118,555</b>
<b><u>Expenditure on:</u></b>					
Raising funds	8	-	-	14,212	14,212
Charitable activities	9	-	605,481	1,254,310	1,859,791
<b>Total resources expended</b>		<b>-</b>	<b>605,481</b>	<b>1,268,522</b>	<b>1,874,003</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>48,682</b>	<b>280,862</b>	<b>(84,992)</b>	<b>244,552</b>
Gross transfers between funds		-	(76,578)	76,578	-
<b>Net income for the year/ Net movement in funds</b>		<b>48,682</b>	<b>204,284</b>	<b>(8,414)</b>	<b>244,552</b>
Fund balances at 1 April 2019		72,341	310,978	174,219	557,538
<b>Fund balances at 31 March 2020</b>		<b>121,023</b>	<b>515,262</b>	<b>165,805</b>	<b>802,090</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

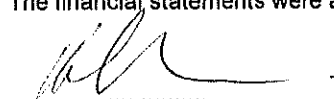
# CHANGING PATHWAYS

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	13		80,994		40,780
<b>Current assets</b>					
Debtors	14	67,887		68,057	
Cash at bank and in hand		969,498		785,779	
		<u>1,037,385</u>		<u>853,836</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(80,521)</u>		<u>(92,526)</u>	
Net current assets			956,864		761,310
<b>Total assets less current liabilities</b>			<u>1,037,858</u>		<u>802,090</u>
<b>Income funds</b>					
Restricted funds	16		168,285		165,805
<u>Unrestricted funds</u>					
Designated funds	17	667,889		515,262	
General unrestricted funds		<u>201,684</u>		<u>121,023</u>	
			869,573		636,285
			<u>1,037,858</u>		<u>802,090</u>

The financial statements were approved by the Trustees and authorised for issue on 21/12/21



P Collinson  
Trustee

Company Registration No. 09941590

## CHANGING PATHWAYS

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	23		232,487		315,237
<b>Investing activities</b>					
Purchase of tangible fixed assets		(56,299)		(20,335)	
Proceeds on disposal of tangible fixed assets		7,321		-	
Investment income received		210		773	
<b>Net cash used in investing activities</b>			(48,768)		(19,562)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			183,719		295,675
Cash and cash equivalents at beginning of year			785,779		490,104
<b>Cash and cash equivalents at end of year</b>			<u>969,498</u>		<u>785,779</u>

# CHANGING PATHWAYS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

##### Charity information

Changing Pathways is a private company limited by guarantee incorporated in England and Wales. The registered office is Parklands Centre, Felmores End, Felmores, Basildon, Essex, SS13 1PN.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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 financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

The nature of the Charity's funding is such that it relies on annual awards from local authorities and other charitable bodies. Income from grants is expected to remain consistent for the coming financial year.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. Designated funds can be undesignated if necessary. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

##### 1.4 Incoming resources

Contractual income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Contractual income is deferred to the extent that it has been received but the right to the income is recognised in a future accounting period in order to match with performance under the terms of contract.

# CHANGING PATHWAYS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

---

### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources including a category for costs directly related to management and running of the charity.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of dissemination of information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditures on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25% reducing balance
Fixtures and fittings	25% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 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.

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## CHANGING PATHWAYS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

(Continued)

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

## CHANGING PATHWAYS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### Critical judgements

##### Income recognition

The Trustees exercise judgement in applying the accounting policy for recognising grant income. Grants are reviewed on an individual basis to identify when any performance conditions are met, and there is unconditional entitlement to the grant, such that income can be recognised in the Statement of Financial Activities. Where performance conditions have not been met the grant income is deferred.

#### 3 Donations

	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
Donations and gifts	67,365	16,683	84,048	37,731	5,962	43,693

## CHANGING PATHWAYS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

#### 4 Charitable activities

	Outreach	Children's services	Refuge	Total 2021	Total 2020
	£	£	£	£	£
Grants	1,219,659	27,220	384,595	1,631,474	1,502,655
Laundry	-	-	1,210	1,210	1,138
Utilities	-	-	48,828	48,828	40,308
Housing benefit	-	-	502,892	502,892	451,298
	<u>1,219,659</u>	<u>27,220</u>	<u>937,525</u>	<u>2,184,404</u>	<u>1,995,399</u>
Analysis by fund					
Unrestricted funds - general	11,960	-	2,537	14,497	
Unrestricted funds - designated	848,776	-	-	848,776	
Restricted funds	358,923	27,220	934,988	1,321,131	
	<u>1,219,659</u>	<u>27,220</u>	<u>937,525</u>	<u>2,184,404</u>	
For the year ended 31 March 2020					
Unrestricted funds - designated	886,343	-	-		886,343
Restricted funds	260,886	23,328	824,842		1,109,056
	<u>1,147,229</u>	<u>23,328</u>	<u>824,842</u>		<u>1,995,399</u>
Performance related grants					
ISAS	15,750	-	-	15,750	42,729
Children in Need	-	27,220	-	27,220	23,328
Thurrock Grants	10,000	-	129,591	139,591	155,509
Brighter futures	86,003	-	-	86,003	86,003
BME	38,208	-	-	38,208	59,882
EDAPP	75,660	-	-	75,660	45,446
Basildon Grants	1,960	-	255,004	256,964	176,589
Other	60,802	-	-	60,802	-
MOJ	82,500	-	-	82,500	26,947
EIDAS	848,776	-	-	848,776	886,222
	<u>1,219,659</u>	<u>27,220</u>	<u>384,595</u>	<u>1,631,474</u>	<u>1,502,655</u>

## CHANGING PATHWAYS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

#### 5 Other trading activities

	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
Other fundraising events	7,015	-	7,015	10,178	1,475	11,653
Charity ball	-	180	180	-	67,037	67,037
Other trading activities	<u>7,015</u>	<u>180</u>	<u>7,195</u>	<u>10,178</u>	<u>68,512</u>	<u>78,690</u>

#### 6 Investments

	2021 £	2020 £
Interest receivable	<u>210</u>	<u>773</u>

#### 7 Other income

	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Net gain on disposal of tangible fixed assets	-	6,806	-	6,806	-
Coronavirus job retention scheme	5,678	-	2,440	8,118	-
	<u>5,678</u>	<u>6,806</u>	<u>2,440</u>	<u>14,924</u>	<u>-</u>

#### 8 Raising funds

	Total 2021 £	Restricted funds 2020 £
<u>Fundraising and publicity</u>	-	14,212
Other fundraising costs	<u>-</u>	<u>14,212</u>

## CHANGING PATHWAYS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

#### 9 Charitable activities

	Outreach	Children's services	Refuge	Total 2021	Total 2020
	2021	2021	2021		
	£	£	£	£	£
Staff costs	742,325	35,890	299,571	1,077,786	993,222
Depreciation and impairment	1,811	-	1,833	3,644	-
Minibus and travel	1,773	230	2,868	4,871	5,891
Telephone charges	12,988	414	11,665	25,067	22,379
Admin and printing	10,506	-	5,298	15,804	15,954
Utilities	5,084	-	47,338	52,422	49,170
Equipment, repairs and renewals	276	-	26,641	26,917	37,548
Children's services	1,820	16,877	16,329	35,026	44,804
Computer costs	20,716	-	10,543	31,259	12,920
Household expenses	-	48	57,358	57,406	23,654
Insurance	-	-	3,207	3,207	4,445
Rent and rates	-	-	293,868	293,868	263,024
Recruitment	3,047	-	-	3,047	6,191
Training	27,718	440	285	28,443	33,050
Legal fees	34,290	-	940	35,230	31,761
Bank charges	-	6	-	6	93
	<u>862,354</u>	<u>53,905</u>	<u>777,744</u>	<u>1,694,003</u>	<u>1,544,106</u>
Share of support costs (see note 10)	153,955	-	177,749	331,704	288,099
Share of governance costs (see note 10)	-	-	29,306	29,306	27,586
	<u>1,016,309</u>	<u>53,905</u>	<u>984,799</u>	<u>2,055,013</u>	<u>1,859,791</u>
<b>Analysis by fund</b>					
Unrestricted funds - designated	684,098	-	-	684,098	605,481
Restricted funds	332,211	53,905	984,799	1,370,915	1,254,310
	<u>1,016,309</u>	<u>53,905</u>	<u>984,799</u>	<u>2,055,013</u>	<u>1,859,791</u>
<b>For the year ended 31 March 2020</b>					
Unrestricted funds - designated	605,481	-	-		605,481
Restricted funds	355,588	108,982	789,740		1,254,310
	<u>961,069</u>	<u>108,982</u>	<u>789,740</u>		<u>1,859,791</u>

## CHANGING PATHWAYS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

#### 10 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Staff costs	222,147	-	222,147	156,037	-	156,037
Depreciation	11,926	-	11,926	8,866	-	8,866
Minibus and travel	926	-	926	3,592	-	3,592
Telephone charges	10,816	-	10,816	12,989	-	12,989
Admin and printing	18,739	-	18,739	27,388	-	27,388
Rent, rates and utilities	15,157	-	15,157	21,097	-	21,097
Equipment and computer repairs	19,234	-	19,234	28,630	-	28,630
Training and recruitment	3,548	-	3,548	6,878	-	6,878
Household expenses	9,333	-	9,333	4,281	-	4,281
Insurance	18,558	-	18,558	17,218	-	17,218
Bank charges	1,320	-	1,320	1,123	-	1,123
Audit fees	-	11,878	11,878	-	11,700	11,700
Accountancy	-	4,861	4,861	-	8,408	8,408
Legal and professional	-	12,567	12,567	-	7,478	7,478
	<u>331,704</u>	<u>29,306</u>	<u>361,010</u>	<u>288,099</u>	<u>27,586</u>	<u>315,685</u>
Analysed between						
Charitable activities	<u>331,704</u>	<u>29,306</u>	<u>361,010</u>	<u>288,099</u>	<u>27,586</u>	<u>315,685</u>

Trustees consider that overhead costs are largely attributable to providing outreach and refuge, which are the the main activities of the charity. Accordingly, support and governance costs have been allocated to refuge and early Outreach.

Governance costs includes payments to the auditors of £11,878 for audit fees and £4,861 for non-audit fees.

#### 11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

No reimbursement of expenses has been made or is due to be made to any of the trustees in respect of the year.

## CHANGING PATHWAYS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

#### 12 Employees

##### Number of employees

	2021 Number	2020 Number
Caring services	45	41
Administration of the charity	6	5
	<u>51</u>	<u>46</u>

##### Employment costs

	2021 £	2020 £
Wages and salaries	1,186,227	1,053,568
Social security costs	91,913	77,355
Other pension costs	21,793	18,336
	<u>1,299,933</u>	<u>1,149,259</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
£60,000 - £70,000	<u>1</u>	<u>1</u>

## CHANGING PATHWAYS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

#### 13 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2020	22,247	43,199	1,419	66,865
Additions	2,454	39,845	14,000	56,299
Disposals	-	-	(1,419)	(1,419)
At 31 March 2021	24,701	83,044	14,000	121,745
<b>Depreciation and impairment</b>				
At 1 April 2020	8,783	16,518	784	26,085
Depreciation charged in the year	3,537	11,913	120	15,570
Eliminated in respect of disposals	-	-	(904)	(904)
At 31 March 2021	12,320	28,431	-	40,751
<b>Carrying amount</b>				
At 31 March 2021	12,381	54,613	14,000	80,994
At 31 March 2020	13,464	26,681	635	40,780

#### 14 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	31,259	1,930
Prepayments and accrued income	36,628	66,127
	67,887	68,057

#### 15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	40,252	34,717
Other creditors	269	484
Accruals and deferred income	40,000	57,325
	80,521	92,526

# CHANGING PATHWAYS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2019 £	Movement in funds			Balance at 1 April 2020 £	Movement in funds			Transfers £	Balance at 31 March 2021 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £		
Childrens funding	-	68,567	(94,745)	26,178	-	-	(34,551)	34,551	-	-
Children in need	-	23,328	(28,449)	5,121	-	27,220	(19,354)	-	-	7,866
EDAPP	-	45,963	(52,923)	6,960	-	75,660	(59,478)	-	-	16,182
ISAS	42,337	43,128	(85,465)	-	-	15,750	(29,226)	13,476	-	-
Counselling	19,654	4,020	(60,580)	36,906	-	296	(34,414)	34,118	-	-
Refuge	113,642	825,691	(789,740)	-	149,593	875,515	(927,303)	-	-	97,805
Brighter futures	-	86,003	(86,003)	-	-	86,003	(86,003)	-	-	-
BME	-	59,882	(45,743)	-	14,139	38,208	(43,756)	-	-	8,591
MHCLG	(1,414)	-	-	1,414	-	78,300	(57,498)	(12,747)	-	8,055
Resettlement	-	26,947	(24,874)	-	2,073	22,802	(15,281)	-	-	9,594
Big Lottery	-	-	-	-	-	38,000	(16,770)	(16,838)	-	4,392
MOJ	-	-	-	-	-	82,500	(47,281)	(19,419)	-	15,800
	174,219	1,183,529	(1,268,522)	76,579	165,805	1,340,254	(1,370,915)	33,141	168,285	

## CHANGING PATHWAYS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

#### 16 Restricted funds (Continued)

Children's funding from donations is restricted to providing children's services.

Children In Need - Funding is restricted to the costs of employing a Children and Young Persons Co-ordinator.

EDAPP Project - Funding is restricted to providing services under the Essex Domestic Abuse Partnership Project in conjunction with Colchester and Tending Women's Refuge.

ISAS Project - Funding received from the Big Lottery Fund is restricted to providing the Independent Stalking Advocacy Service.

Counselling - Funding used to help counselling services to support women affected by domestic violence.

Refuge - Funding from Thurrock, Basildon and Rochford Council is restricted to providing refuge services.

Brighter futures - Funding from Thurrock is restricted to early intervention of domestic abuse.

BME - Funding is restricted to providing support to black, minority and ethnic communities.

Resettlement - Funding is restricted to support women affected by domestic violence to move on from refuge accommodation

Big Lottery - Funding used to deliver activities specifically aimed to support communities through COVID

MOJ - Funding for the delivery of services for domestic abuse and sexual violence services.

MHCLG - Funding received to provide domestic abuse safe accommodation.

## CHANGING PATHWAYS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Restricted funds (Continued)

#### Material Transfers

Thurrock Children's funding - Monies were transferred from the big lottery and MOJ COVID funds to fund the children's services. The purpose of these grants was to help those in need during the COVID-19 pandemic.

EDAPP - the charity elected to transfer monies from the EIDAS designated fund to be used for EDAPP services.

Early offer of help - the charity elected to transfer monies from the EIDAS designated fund to be used for Early offer of help.

Counselling - the charity transferred monies from the MOJ COVID restricted fund and EIDAS designated fund to support the counselling services.

ISAS - the charity transferred monies from the unrestricted fund and the MOJ COVID fund to help support the services.

## CHANGING PATHWAYS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2021

##### 17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			Movement in funds			Movement in funds		
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Capital	16,532	-	-	-	16,532	6,806	-	2,269	25,607
Rent	100,000	-	-	-	100,000	-	-	-	100,000
Contingency	16,590	-	-	-	16,590	-	-	65	16,655
Friends of refuge kids	177,855	-	-	(31,299)	146,556	-	-	-	146,556
EIDAS	-	886,343	(605,479)	(45,280)	235,584	848,956	(684,098)	(21,371)	379,071
	<u>310,977</u>	<u>886,343</u>	<u>(605,479)</u>	<u>(76,579)</u>	<u>515,262</u>	<u>855,762</u>	<u>(684,098)</u>	<u>(19,037)</u>	<u>667,889</u>

Designated capital fund - The balance represents a minibus fund. This fund is made up of two elements, a cash element and also a capital element. The cash element is a reserve that is built up to enable the organisation to purchase a new minibus when the need arises. The capital element is the written down value of the minibus.

Designated rent reserve fund - The rent reserve fund, transferred from Basildon Women's Aid, was set up in 2008 as a condition of a new lease agreement. It is intended that the fund hold at least a minimum of two months of operating costs in reserve at any one time. In view of rising costs, it has been decided by the Trustee Committee that the balance in this fund should not be less than £100,000.

Designated contingency fund - This fund is for any unforeseen and contingent events that may occur. It has been decided by the Trustee Committee that the balance in this fund should not be less than £15,000.

Designated Friends of Refuge Kids fund - This fund was set up to collect the income and cover the costs of charity events held to raise money primarily for, but not restricted to, the children at the refuge.

Essex Integrated Domestic Abuse Services - Funding to support victims of domestic abuse and their families, including provision of a family unit including offering life skills and resources to rebuild their lives.

## CHANGING PATHWAYS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

18 Analysis of net assets between funds	Unrestricted funds		Designated funds		Restricted funds		Total		Unrestricted funds		Designated funds		Restricted funds		Total	
	2021	£	2021	£	2021	£	2021	£	2020	£	2020	£	2020	£	2020	£
Fund balances at 31 March 2021 are represented by:																
Tangible assets	46,714		14,000		20,280		80,994		40,147		633		-		40,780	
Current assets/(liabilities)	154,970		653,889		148,005		956,864		80,876		514,629		165,805		761,310	
	201,684		667,889		168,285		1,037,858		121,023		515,262		165,805		802,090	

## CHANGING PATHWAYS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

#### 19 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the Statement of Financial Activities in respect of defined contribution schemes was £21,793 (2020 - £18,336).

#### 20 Financial commitments, guarantees and contingent liabilities

Multi-employer defined benefit pension scheme:

On 8/5/17 all pension schemes were transferred over from Basildon Women's Aid to Changing Pathways. Prior to May 2016, employees were entitled to join the defined benefit scheme operated by Essex County Council. Although the Pension Fund is a defined benefit scheme, because Basildon Women's Aid, as a Small Admitted Body, has been grouped together with other Small Admitted Bodies, it is not possible to separately identify its share of the underlying assets and liabilities and it is therefore accounted for as a defined contribution scheme. The assets of the scheme are held separately from those of the charity. The pension cost charge represents contributions payable by the charity to the fund.

The charity is required to pay additional contributions as required towards the charity's share of the deficit. These contributions are charged as an expense as they fall due.

From May 2016, membership of this scheme has ceased and employees are now entitled to join a defined contribution scheme.

#### 21 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	85,041	71,034
<b>Services provided to the charity</b>		
	2021 £	2020 £
Other related parties	12,000	-

## CHANGING PATHWAYS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2021

#### 22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	39,431	301,778
Between two and five years	83,849	173,221
In over five years	3,882	3,882
	<u>127,162</u>	<u>478,881</u>

#### 23 Cash generated from operations

	2021 £	2020 £
Surplus for the year	235,768	244,552
Adjustments for:		
Investment income recognised in statement of financial activities	(210)	(773)
Gain on disposal of tangible fixed assets	(6,806)	-
Depreciation and impairment of tangible fixed assets	15,570	8,866
Movements in working capital:		
Decrease in debtors	170	65,379
Increase/(decrease) in creditors	10,797	(15,136)
(Decrease)/increase in deferred income	(22,802)	12,349
<b>Cash generated from operations</b>	<u><u>232,487</u></u>	<u><u>315,237</u></u>

# Audit findings document

Changing Pathways

31 March 2021

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# Introduction

Following our audit in connection with the financial statements of Changing Pathways for the year ending 31 March 2021, we are writing to bring to your attention certain matters that arose during the course of our work, together with suggestions for improvements of controls and procedures operated by the company. We hope you will find our comments helpful and constructive.

Our work during the audit included an examination of some of the company's transactions, procedures with a view to expressing an opinion on the financial statements for the year. This work was not directed primarily towards discovering weaknesses other than those that would affect our audit opinion, or towards the detection of fraud. We have included in this document only matters that have come to our attention as a result of our normal audit procedures and consequently our comments should not be regarded as a comprehensive record of all weaknesses that may exist or of all improvements that might be made.

Our work also included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the company and any significant matters identified which we believe are necessary to draw to your attention are set out in this document.

# Perceived weaknesses in your accounting system and control environment

(i) Matters raised in prior year

Issue previously reported	Management' Actions
Our review of petty cash identified that a reconciliation had not been completed monthly.	These are now completed monthly however some months were not completed during lockdown.
On review of the wages expenses it was noted that control accounts are not used for net wages, pension and PAYE	This was discussed with Sarah and it still wasn't used as she was too busy however going forward as they have now hired a finance assistant there may be time to use them. Satisfied that payroll cost and year end position in accounts are materially correct.
On review of the expenditure during the year a number of fixed assets were identified however these were replacements of old items. It could not be easily identified from the fixed asset register.	This wasn't reviewed as due to COVID Sarah wasn't allowed to go to sites and review the assets, however there is a date booked in September for Sarah to go down to the refuges to check assets. Therefore this will be revisited again next year.
Our payroll testing identified that a new contract had not been issued for one employee who had changed roles.	All rectified as there are new members of staff assigned to the role to ensure new contracts are issued to new staff members.
On review of the joiners it was identified that an employee had been transferred under the TUPE regulations however a recent contract was not on file.	Still do not have the contract as they did not receive one when the employee joined however they have not had anyone new transfer over under TUPE.
On review of the bank balances it was noted that a bank reconciliation had not been completed at the year end. We note that regular reconciliations are carried out throughout the year	Ensured completed at the year end.

(ii) Issues arising in current year

Significant findings	Impact	Recommendations
From our review of receipts received after the year end we identified that there was no date noted on the details of the paying in slips to determine the correct period of recognition. From our discussions with Sarah it is considered likely that the income for the year is understated as a result of this, however the amount does not have a material impact on the figures.	Low risk – there is the possibility of income being recognised in the incorrect period, although it is considered unlikely that this would have a material impact.	We would recommend that cash records indicate the period that the income relates to, and the date of the cash receipt. Ideally the cash should be recorded when it is received rather than when it is banked.
During our testing of grant income, we were unable to agree some of the grant income as no contract could be obtained. This was because Changing Pathways had not received any documentation for the extension or on offer of new grants.	Medium risk – this may be a problem in the event of a dispute if the terms of the grant or contract are not clearly agreed.	We recommend that where possible grant documentation is obtained in writing.
During our review of expenditure it was noted that purchase orders were only raised starting in March 2021.	Medium risk – There is a risk that expenditure is not received and approved before it is committed to.	We understand from discussions with Sarah that managers are currently being trained on quickbooks to raise purchase orders and this will be implemented for 21-22 financial year.
Whilst reviewing the current account bank reconciliation for account *3913, we noted a trivial difference of £20.52.	Low risk – Even though the difference is small it could convert into a more significant balance in the future if differences are not resolved.	We recommend that any differences on the bank reconciliations are investigated and rectified.

# View of Accounting policies and practices

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the company

## Adoption of new, or changes in Accounting policies:

- The company did not adopt any new accounting policies in the period, nor have there been any changes in existing accounting policies during the current period

## Alternative treatments:

- There were no alternative treatments within generally accepted accounting principles discussed with management in relation to material items.

# Management's Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain future events.

Significant accounting estimates reflected in the financial statements were:

- Fund allocations
- Income recognition
- Accrued/deferred income

# Difficulties encountered during the audit

We did not encounter any difficulties during the audit.

## Other matters for management's attention

- (i) Significant issues
  - Please ensure that you have resigned Karon Fowler and appointed Penny Collinson and Alexia Wright as directors and trustees on Companies House and the Charities Commission. You should ensure that any changes to trustees are reflected promptly to ensure that the public registers are up to date.
- (ii) Upcoming changes in legislation or Accounting Standards

Legislation/Accounting Standards	Reporting requirements
Nothing to note	

Discussed with: Sarah Harris