

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

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

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Overview

We are a Social Enterprise committed to delivering meaningful environmental, social and community impact and making a difference to the people of Cheshire. We provide creative solutions to social and environmental issues. Structured as a charitable company, we aim to be financially sustainable through enterprise but our social impacts (the way we help change people's lives) are at the core of why we do what we do.

We work extensively within our community to support people through a variety of work, training and volunteering programmes for long term unemployed, those with learning difficulties, ex-offenders, vulnerable, disabled and the excluded and isolated. We help give back that self-esteem that is often lost when Life's difficulties get on top of us.

Operational and retail

Affordable furniture, paint and appliances

Our warehouse team continued throughout the year to help the environment by collecting domestic Bulky Waste to reuse and recycle items that would otherwise be sent to landfill or other waste destinations. We work with our membership organisation, the Reuse Network, in providing "take-back" schemes for a number of national retailers where we help reduce waste as well as bringing damaged and "orphan" items back in to use. These activities of repair and "up-cycling" provide work placement opportunities for the individuals we support. This saved consumers over £500,000 in buying preloved instead of new.

Emergency assistance

We operate contracts with Local Authorities and Housing Associations to provide their welfare assistance schemes. We supply starter packs, furniture and white goods to hundreds of people and families in need every year in Cheshire East, Cheshire West & Chester and Warrington. These schemes ensure those in need gain access to essential household items and receive an efficient delivery and installation process. In 2022, we supported over 5,000 families.

Bulky waste

Not all large household waste goes to landfill. We are proud to support Cheshire West Recycling Limited and Warrington Borough Council in collecting bulky domestic waste - and we try and repair, reuse and recycle as much as we can, last year we collected nearly 7000 products, reusing or recycling 49%.

Community engagement

Our Buddying and Befriending scheme has been successful in securing a grant from The National Lottery Community Fund from April 21 for a period of 3 years. This has enabled us to continue our great work helping those who are over 50 living across Cheshire West and Cheshire East and are experiencing loneliness and social isolation. The service delivers 300 matches between volunteers and clients each year.

Throughout the year our team of Family Support continued their exceptional work in their school placements helping to help improve attendance, behaviour and achievement. They focus on early intervention, helping parents to develop the necessary coping skills and helping them to access a broad range of services. If our team can't help, they will put families in touch with somebody who can and arrange introductions.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Cheshire Food Hub now rebranded as The Very Green Grocery

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

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

The other part of the work at the hub is the bringing together of volunteering opportunities. From warehousing, distribution, box projects, shop support, café service, gardening projects and building maintenance there is something for everyone. We have seen over 300 hundred volunteers come through the hub. Each one of our volunteers has been passionate about supporting their community.

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

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

Community transport branded as Yourbus

We operate our Community Transport minibus services (Yourbus), which is contracted by Cheshire West and Chester Council. The services we provide are Home to School, Adult Social Care, Dial A Ride and other contracts as required. These services provide, either free or subsidised, access to schools, care centres, the high street, leisure and other services for members of the community who might otherwise miss out.

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

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

How many lives did we change in 2022?

We made a difference to our community by:

- Arranging thousands of Community Transport journeys;
- Providing affordable furniture, electrical items, beds and bedding through our shops;
- Supporting the distribution of surplus food prevents landfill and feeds people in a cost of living crisis.
- Helping hundreds of people with a Buddy & Befriending pairs to reduce loneliness and isolation amongst the over 50's;
- Supporting many families in crisis across Cheshire and Warrington (working with 3 Local Authorities and their Local Welfare Assistance Schemes);
- Giving our people employment, training and development opportunities.

And we made a difference to the environment by:

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

All of this has only been possible by the hard work, sacrifice and dedication of so many of our people - staff, volunteers and friends - and donors and funding partners, particularly in local government. The trustees sincerely thank you all.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

FINANCIAL REVIEW

Financial position

Our long-term policy has been to stand on our own feet with sustainable results and without excessive dependence on grant income. We reinvest when we can in our people and we are slowly building our reserves to a normal level for a charity of our size and complexity.

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

Investment policy

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

Reserves policy

The Trustees have agreed that the appropriate level of unrestricted liquid reserves should be sufficient to cover 3 months of routine expenditure i.e. to provide working capital to cover delays in the receipt of payments and grants and to provide a cushion for unexpected emergencies.

We are close to achieving this. Our reserves at 31 December 2022 were £485,663.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Changing Lives in Cheshire (charity 1139983 and company 07400060) was incorporated on 7 October 2010 and commenced trading on the same date. The principal governing document is the Articles of Association adopted on 21 March 2019.

The objects of the charity are:

- 1 The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage, in particular but not exclusively, by the provision of affordable furniture, recycled and reused items and the provision of training, voluntary positions and work experience.
- 2 The protection and preservation of the physical and natural environment in particular but not exclusively by the promotion of sustainable waste management practices.
- 3 To provide transport facilities in particular but not exclusively in Cheshire and the surrounding area for people who have special need of such facilities because they are elderly, poor or disabled, people with young children or those living in isolated areas where there are no adequate public transport facilities.

Recruitment and appointment of new trustees

We have a written policy for the recruitment and induction of new trustees that gives all candidates a fair chance to see us in action and to deliver efficient support on appointment.

Management and governance

We continue to develop our Management and Governance structures.

Risk management

The trustees have regard to the Charities Commission guidance on Public Benefit and a robust approach to Risk Management. The trustees monitor risk by ensuring that the identification, assessment and mitigation of risk is linked to the achievement of the charity's operational objectives.

The trustee board at each meeting reviews Health and Safety performance, Safeguarding and Management Information (financial and operational) with a review of current and future obligations. The trustee board also reviews the financial impact of risk as part of operational budget planning and monitoring. Full consideration is given to the risks attached to significant new activities or opportunities, as is risk associated with external factors such as new legislation or new requirements from funders.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07400060 (England and Wales)

Registered Charity number

1139983

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

Registered office

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

Trustees

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

Auditors

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

Solicitors

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

Bankers

Santander UK plc
Bridle Road
Merseyside
L30 4GB

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Changing Lives Together for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

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

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

B G Dunn - Trustee

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

Opinion

We have audited the financial statements of Changing Lives Together (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

The audit procedures designed to identify irregularities included:

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

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, intentional misrepresentations or through collusion.

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

17 July 2023

CHANGING LIVES TOGETHER

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

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

The notes form part of these financial statements

CHANGING LIVES TOGETHER (REGISTERED NUMBER: 07400060)**BALANCE SHEET
31 DECEMBER 2022**

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

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 15 June 2023 and were signed on its behalf by:

B G Dunn - Trustee

The notes form part of these financial statements

CHANGING LIVES TOGETHER

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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

The notes form part of these financial statements

CHANGING LIVES TOGETHER

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

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

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

2. ANALYSIS OF CHANGES IN NET FUNDS

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

The notes form part of these financial statements

CHANGING LIVES TOGETHER

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

1. STATUTORY INFORMATION

Changing Lives Together is a private company, limited by guarantee, registered in England and Wales. The company's registered number, registered charity number and registered office can be found in the Reference and Administrative Details section of the Trustees' Report.

The presentation currency of the financial statements is in Pounds Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' (effective 1 January 2019) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Changing Lives Together meets the definition of a public benefit entity under FRS 102.

Going concern

The charitable company meets its day to day working capital requirements through its cash resources and available loan facilities. The trustees have reviewed current and forecast activity and cash requirements for a period of at least 12 months from the date of the signing of the financial statements which show, taking into account reasonably possible changes in performance, that the charitable company should be able to operate within its available cash resources. After making enquiries, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

Income

The policies adopted for the recognition of income are as follows:

Sale of goods

Income from the sale of goods is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of income can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on dispatch of the goods.

Rendering of services

When the outcome of a transaction can be estimated reliably, income is recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to a notable milestone.

Where the outcome cannot be measured reliably, income is recognised only to the extent of the expenses recognised that are recoverable.

Grants

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, and performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Goodwill

Goodwill relates to the amount paid in connection with the acquisitions of a business, and is now fully amortised.

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

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Plant and machinery	- 20% on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition. Stocks of unsold donated goods are valued only at the cost of bringing the items to their present location as it is not considered practical to estimate the fair value due to their cost being nil and their value is uncertain until sold.

Taxation

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

Fund accounting

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

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

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

Short term debtors and creditors

Short term debtors and creditors with no stated interest rate are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, cash held with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

CHANGING LIVES TOGETHER

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

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	<u>3,791</u>	<u>7,229</u>

4. OTHER TRADING ACTIVITIES

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

5. INVESTMENT INCOME

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

6. INCOME FROM CHARITABLE ACTIVITIES

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

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

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

CHANGING LIVES TOGETHER

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

7. RAISING FUNDS

Other trading activities

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

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

8. CHARITABLE ACTIVITIES COSTS

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

9. SUPPORT COSTS

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

10. NET INCOME/(EXPENDITURE)

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

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

CHANGING LIVES TOGETHER

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

11. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

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

12. STAFF COSTS

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

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

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

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

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

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

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

CHANGING LIVES TOGETHER

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

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

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

14. INTANGIBLE FIXED ASSETS

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

CHANGING LIVES TOGETHER

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

15. TANGIBLE FIXED ASSETS

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

16. FIXED ASSET INVESTMENTS

There were no investment assets outside the UK.

The charity owned 100% of the Ordinary share capital in the below three companies. Each of the companies has been dormant from incorporation.

- Changing Lives in Cheshire Limited (11935815) - Dissolved 21/02/2023
- Changing Lives in Ellesmere Port Limited (11534973) - Dissolved 21/02/2023
- Changing Lives in Warrington Limited (09842887) - Dissolved 21/02/2023

17. STOCKS

	2022 £	2021 £
Stocks	<u>92,751</u>	<u>108,634</u>

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

CHANGING LIVES TOGETHER

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

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

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

21. LOANS

An analysis of the maturity of loans is given below:

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

22. LEASING AGREEMENTS

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

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

CHANGING LIVES TOGETHER

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

23. MOVEMENT IN FUNDS

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

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

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

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
General fund	337,555	224,190	561,745
TOTAL FUNDS	<u>337,555</u>	<u>224,190</u>	<u>561,745</u>

CHANGING LIVES TOGETHER

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

23. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,106,506	(1,882,316)	224,190
Restricted funds			
Break Free Grant	9,608	(9,608)	-
Groundworks	33,000	(33,000)	-
Family Support	94,851	(94,851)	-
National Lottery Community Fund	91,943	(91,943)	-
Edsential Community	147,691	(147,691)	-
DEFRA - Food Hub	32,385	(32,385)	-
Wellbeing	28,507	(28,507)	-
Slowcooker Grant	37,903	(37,903)	-
	<u>475,888</u>	<u>(475,888)</u>	<u>-</u>
TOTAL FUNDS	<u>2,582,394</u>	<u>(2,358,204)</u>	<u>224,190</u>

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

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

CHANGING LIVES TOGETHER

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

23. MOVEMENT IN FUNDS - continued

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

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

24. RELATED PARTY DISCLOSURES

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

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.